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REPORT RESUMES

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RELATIVE MERITS OF THE SALE OR RETENTION UNDER LEASE OF PUBLIC SCHOOL LANDS IN COLORADO.

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A STUDY WAS MADE ON THE QUESTION OF SELLING OR RETAINING, UNDER LEASE, PUBLIC SCHOOL LANDS TO DERIVE THE MAXIMUM, LONG-TERM REVENUE YIELD TO THE COLORADO PUBLIC SCHOOL FUND. FINDINGS SUPPORTED THOSE OF THE 1960 STATE LEGISLATIVE COUNCIL WHICH CONCLUDED THAT RETENTION OF PUBLIC SCHOOL LANDS WAS WISER THAN SALE OF THE LANDS. IN ADDITION, FINDINGS SHOWED THAT WIDE-SCALE CONDEMNATIONS OF PUBLIC SCHOOL LANDS BY GOVERNMENTAL AGENCIES, OTHER THAN EDUCATIONAL DEPARTMENTS, SHOULD BE DISCOURAGED. THE IMPLICATION WAS THAT FURTHER STUDY MUST BE MADE INTO THE AREAS SURROUNDING LAND MANAGEMENT WITH REFERENCE TO THE RETENTION OF PUBLIC SCHOOL LANDS. (GD)

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FINAL REPORT

Cooperative Research Project No. S-446

S-8387

Stanley Mason Cole

Colorado State University

1965-1966

The research reported herein was supported by the Cooperative Research Program of the Office of Education, U. S. Department of Health, Education, and Welfare.

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CHAPTER 1

INTRODUCTION

An act to enable the people of Colorado to form a constitution and state government (Enabling Act) provided for the State of Colorado to share in the Congressional Land Grants made possible by the Northwest Ordinance of 1785-87. Colorado received the 16th and 36th section in every township. In cases where these sections had already been preempted by a homestead, an Indian Reservation or were otherwise unavailable, lands were granted in other parts of the State.

Thus, the schools of Colorado became one of the largest land holders in the state. The school lands originally awarded to the State of Colorado amounted to some 3, 757, 447 acres. Of this amount 2, 774, 221 acres (July 1965) are still retained and supervised by the State Board of Land Commissioners for the benefit of public schools. This means that approximately 26 per cent of the land originally granted has been sold and sales are being conducted each year so that these figures are constantly changing.

It seems clear that the original intent was that this land was to be sold and the proceeds used to establish Permanent School Funds for support of public education. Evidence to substantiate this view is found in the broad authority granted to the State Board of Land Commissioners to sell land. The early history of Colorado shows that the land was sold at a steady if not rapid pace. The records show that in a 12 year period from 1909 to

1920 inclusive a total of 972, 923 acres was sold, or an average of 81, 077 acres per year.

It was about this time that the Legislature passed Colorado School Law 112-3-22 which withdrew all lands from the market except parcels of not more than 160 acres and these parcels only if the best interest of the school fund was being served. (In 1965, the State Legislature revised this 160 acre parcel limit upward to 320 acres per sale plot.)

The philosophy concerning the management of the land then shifted from one of selling to one of leasing and investing the income. Recently the trend has been to continue sales at a steady but not rapid pace. Table I indicates land sales by the Board of Land Commissioners over the past 5 years. A total of $2, 853, 386 has been added to the Permanent School Fund in Colorado.

TABLE I

Sales by Fiscal Years

Year	Acres	Total Sales Price	Average per Acre
1961-62	721.02	455, 509.08*	631.76*
1962-63	5, 900.85	796, 358.91	134.96
1963-64	13, 430.36	863, 251.10	64.27
1964-65	6, 147.66	326, 378.65	53.09
1965-66	5, 786.75	411, 924.01	69.46

*The 1961-62 figure is distorted by the fact that the 2.89 acres near East High School in Denver was sold for $401, 500.

The table reflects the fact that the board has been selling land the past five years at an average of 6, 397 acres per year. The board states also that "the sales include, of course, much of the best land owned by the school fund and very little of it's large acreage of poor land" .[1]

Sales of school land have typically been contingent on two considerations; (1) someone wanted to purchase state school land; and (2), in the judgment of the Land Board, this was the proper time to sell. These two considerations have caused some concern in that many sales may be judged sound but little consideration is given to future development. An example of this concern is best expressed by a memorandum written by Commissioner Wesley E. Woodard in March of 1966. Because of its significance, the complete text of the memo follows:

---

[1] Activities of Colorado State Board of Land Commissioners for Month of June 1966. Board of Land Commissioners, State of Colorado. Denver, 1966.

TO: Board of Land Commissioners

FROM: Wesley E. Woodward

SUBJECT: Regarding Sales Appraisals in Areas of Changing Use.

I am referring particularly to the land in the lower mountains and on the plains near the mountains, from Fort Collins to Trinidad--the area of probable growth in population in the next 30 years.

Apparently, our appraisals for sales purposes are made by looking at the land and estimating what it will sell for. At the best, this is a poor guess.

Right now there is considerable demand for this land and I think this demand will increase every year. I don't think these "windshield" appraisals are doing us any good.

What we really need to know is whether the land should be sold or not. To find this out I think we need to know what is happening to the whole area in which the land is located: What sales have been made recently and at what price? What development is going on in the area and what is planned? What changes will probably take place in this area? What is the history of price increases in the last ten years, or twenty years?

It seems to me we are working blind, and making decisions to sell or not sell on the basis of our hunches, or guesses, or on the ideas we got 30 years ago during the depression. I don't think we are doing a decent job on this.

Of course, the appraisal fees will not cover the job that needs to be done. But we should do it at Land Board expense because it is worth much to us--not to the would-be purchaser.

I, for one, cannot approve any sale of land in the areas I am talking about until we have something better to go on than we have now.

Wesley E. Woodward

WEW:ish

There exists substantial differences of opinion on the question of selling or retaining under lease public school lands to derive the maximum return to the Permanent School Fund. This maximum return to the Permanent School Fund must include a long range look to the future as well as the immediate result of current sales. The question is will land values continue to escalate at the relatively rapid rate currently observed in Colorado? Further will the income from present leasing policies and this increase in value be sufficient to warrant continued retention of land rather than to sell land and invest the revenue in fixed income securities?

There is, however, little difference in opinion as to the increased demand to purchase State school land. Evidence to support this is contained in a news release from the State Board of Land Commissioners in February of 1966. Excerpts from this release state:

> The number of applications to purchase State school land has been unusually large this winter. There were three applications in December, nine in January and 13 in February. These 25 recent applications covered 8, 015 acres of land in 14 counties. A total of $322, 680 was offered for the 25 tracts, an average of $40. 26 per acre.
>
> Apparently, there is an increasing demand for State school land, showing, perhaps an increased rate of growth and development in the State. Another reflection of apparent prosperity is the fact that a number of long-term purchase contracts are being paid off in full now. The few mountain tracts near metropolitan centers, still held by the

Board, are being put under increasing pressure from would-be buyers. It appears that we are entering a period of extensive mountain home development and that the Board will be more and more faced with the questions of when is the best time to sell these lands and in what sized tracts.[2]

Meanwhile two new developments transpired during the course of this study which will have major impact on the Permanent School Funds and land administration in Colorado. Both developments concern land previously selected for this study.

The first development is not new. It concerns the Colorado State Forest which is 71, 000 acres of public school land. A resolution was introduced into the House of Representatives that proposes "that the Legislative Council shall appoint a committee to explore the possibility of converting the Colorado State Forest to a state park for use as a recreation area, to be administered in such a manner as to result in a greater revenue return to the public school fund." This controversy and discussion is covered in detail in the analysis of data and findings.

The second development concerns one of the sections selected East of Denver, Colorado in the Lowry Bombing Range Exchange area. Since the beginning of the study, the Atomic Energy Commission has considered this site as a possible location for a $375 million atom smasher in Colorado. These two developments are covered because: (1) the land involved was originally included in the study, and (2) the impact on the Permanent School Funds will be substantial.

---

[2] *Activities of Colorado State Board of Land Commissioners for Month of February 1966*. Board of Land Commissioners, State of Colorado. Denver 1966.

The motivation for this research was thus founded in some of the problems covered briefly in this introduction. The Department of Education at Colorado State University, The State Board of Land Commissioners, and many others were extremely helpful in bringing into focus some of the problems and possible solutions to these problems in Colorado. The financial assistance from the U. S. Office of Education was essential in the development of this research project.

The data were gathered principally from state records, county assessors, and abstract and title companies. Also helpful on this project were realtors, land appraisers, ranchers and recreation persons who were willing to share information on land related problems.

On the basis of this activity, the project director developed possible criteria to evaluate, in advance of sales, certain information which may supply a basis for judgment concerning sales or retention of school lands in Colorado.

CHAPTER II

RESEARCH PROBLEM

The problem on which this research was focused concerned the lack of criteria for making decisions concerning the sale or retention of public school lands. More specifically the problems center on three questions:

a. What are feasible guidelines to determine which sections of public school land can best be offered for sale and which can best be retained at any given time?

b. Does the future potential of a particular parcel of public school land or parts thereof justify continued retention by the State?

c. What is a feasible policy by which to evaluate, in advance of sales, questions concerning the timing of sales of public school lands based on projections of present land values in terms of future potential?

The State Board of Land Commissioners clearly has the authority to sell public school lands when certain conditions are observed (Colorado School Law Section 112-3-23). However, the law does not specify the manner in which these sales are to be made in terms of which plots should be sold and those that should be retained.

Rarely does the State Board of Land Commissioners put land on the sale market of its own volition. The bulk of the sales are initiated by a person wishing to purchase the land. A decision to sell or retain is generally based on the condition that the interest rate would bring in revenue in a larger amount than if the land were retained and leased.

This does not, however, answer the basic question of proper timing of sales. Would greater revenue be realized by selling at a later date because the land has increased in value or is it desirable to retain the land in perpetuity and continue the present policy of spending the lease monies as it is received and continue to invest the Permanent School Fund that now exists? These questions can not be answered apart from the question of the effect on the continuous inflationary spiral and the legal requirements controlling investment policy of public school funds received from sales of public school land.

Another problem on which attention must be focused is the question of selling and leasing of potential mineral lands. The minerals on state school land remains the property of the State of Colorado. However, when the state no longer owns the surface many difficulties exist to hinder mining operations and hence affect royalty returns to the school funds.

An example of this difficulty is well illustrated by a recent Supreme Court Decision handed down in Colorado. The following is a narrative released by the State Board of Land Commissioners in April of 1966. The entire memorandum is unedited and quoted in full because of its significance to the basic problem in question:

> On April 11, 1966, the Colorado Supreme Court handed down a decision in the Harry Abrams-Frankfort Oil Case that vitally affects the leasing of State school land for mineral recovery, especially oil and gas. The decision favored Frankfort Oil Company and, indirectly, the State Land Board. The importance of this case required a brief summary of the issues.
>
> In 1952, Continental Oil Company drilled a test well for oil and

gas on State school land about ten miles southwest of Eads in Kiowa County. The well had shows of both oil and gas resulting in additional exploration in the area and the discovery and development of the McClave gas field owned principally by Frankfort Oil Company.

In 1957, the Land Board patented the surface of 1, 280 acres in this area, including the original well location, to Harry Abrams. Mr. Abrams paid about $26 per acre for the land. Three additional wells were later drilled on the land Abrams had purchased.

Now, each patent issued by the Board contains this clause:

> "Reserving, however, to the State of Colorado all rights to any and all minerals, ores, and metals of any kind and character, and all coal, asphaltum, oil, gas or other like substance in or under said land, the right of ingress and egress for the purpose of mining, together with enough of the surface of same as may be necessary for the proper and convenient working of such minerals and substances."

It is intended, of course, that this clause will guarantee that the minerals may be recovered without unreasonable interference from the purchaser of the surface, and that the surface owner will not be able to collect excessive amounts for damage to the land caused by the mineral operator. In effect, the purchaser accepts the land with full realization that mineral operations may be carried on there and he has already agreed to them.

Without this clause, it would be difficult, or even impossible, to lease the mineral rights owned by the state.

The mineral leases granted by the Board restate the patent reservation in these words:

> "together with the right to use as much of the surface thereof as may reasonably be required in the exercise of the rights and privileges herein granted . . ."

However, the mineral leases have an additional clause which is designed to insure compensation to the surface owner for unreasonable damages. It reads: "Lessee shall be liable and agrees to pay for all damages to the surface of the land, livestock, growing crops or improvements caused by Lessee's operations on said land." A bond is required from the mineral lessee to insure payment of these damages.

Normally, a few acres of grass or crops are damaged by oil well drilling operations and the surface owner is usually compensated to the extent of $100 - $200.

In this case, after drilling on land the surface of which was owned by Abrams, Frankfort Oil was never able to arrange a satisfactory settlement with Abrams for damages. In May, 1960, Mr. Elliott, the Land Board appraiser, inspected the well sites and suggested a compensation of not more than $200 per location, which Frankfort was willing to pay. Mr. Abrams demanded $1, 500 per well.

After much discussion and argument over the operations, Frankfort Oil found it necessary to petition the court for a restraining order to keep Mr. Abrams from interfering with their mineral operations. Then in December, 1962, Frankfort went into District

Court at Eads to request a permanent injunction against Mr. Abrams' interference. Abrams filed a counter-suit against Frankfort for $13, 500 to cover alleged damages.

The district Court ruled in favor of Abrams, granting a judgment against Frankfort in the amount of $4, 737. Major items in this amount were $2, 502 for depreciated value of 1, 252 acres. $1, 086 for total destruction of 28 acres, and $840 for hay crop loss.

This decision was a threat to future oil operations on States School mineral lands, because it opened the door to excessive compensation for so-called damages. Both the State and the oil industry were greatly disturbed by the decision.

Frankfort Oil appealed the case to the Colorado Supreme Court.

Finally, last month, the Supreme Court made its decision, reversing the District Court on essentially all its findings, and reestablishing a sane and reasonable basis for damage compensation.

The important points in the Supreme Court's decision are these:

> The State's reservation in the patent relieved the mineral lessee from legal liability of damage to the surface used, and without the damage clause in the lease, no damages would be due.
>
> Four of the items of compensation listed in the District Court's judgment, including fence damage, damage to a tractor tire, labor and loss of 2 calves were disallowed. The depreciation value on 1, 252 acres of the ranch unit was stricken entirely. The Supreme Court was very plain in stating that land damages could apply only to the land actually used and could not apply to additional land.

> The District Court was ordered to remeasure the area of land used and to reappraise it by two classifications -- that part with total destruction and that with only temporary damage.
>
> As to the $840 compensation for the hay crop, as allowed by the District Court, the Supreme Court disallowed this claim and instructed the lower court as to how the correct amount may be determined."

It is clear from the Supreme Court's decision that the surface owner of land on which the State owns and leases the minerals for development is not entitled to any compensation other than the actual and obvious damage to the surface owner's property used by the mineral lessee.

In addition to the problems just mentioned a word must be said concerning philosophy of land management. While traveling over the State of Colorado and talking with realtors, ranchers and others, the investigator found two contrasting philosophies. The first point of view is generally summarized as follows: the State does not belong in the land business, the schools do not belong in the land business, the land should be put on the tax rolls and it is contrary to the free enterprise system for the State to be a "landlord."

The contrasting point of view can be summarized by saying that State school lands are the heritage of all the people and can best serve the people by being retained by the state.

It appears that these two philosophies are irreconcilable, and that there is little hope of establishing criteria that will be agreeable to all parties. However, the paramount consideration in this research has been to be as equitable as possible to all concerned and to keep the Permanent School Funds of Colorado the focal point of concern.

The decision to sell or retain these lands will have considerable influence on the Permanent School Fund and, hence on revenue distributed to the schools of this state. It is hoped that the criteria established in this research will supply a basis for further research into the problems of public school lands in Colorado. Also, the research may provide a basis for judgment concerning the immediate sales currently being carried out in the state.

CHAPTER III

OBJECTIVES AND PROCEDURE

Project S-446 was undertaken to provide information concerning sale or retention under lease of public school lands in Colorado. Specifically, the objectives of the research were as follows:

a. To identify guidelines to determine those sections of public school land that might be offered for sale and at what time.

b. To determine if the future potential of the public school land is sufficient to justify the continued retention of said land under the stewardship of the state.

c. To formulate a policy which seeks to evaluate, in advance of sales, questions concerning the timing of sales of public lands based on projections of present land values in terms of future potential.

These objectives were formulated in the proposal stage of this research because of the apparent lack of criteria for making decisions concerning land sales. In a publication issued in December of 1965, the State Board of Land Commissioners explain their duties and obligations concerning sales:

> THE BOARD'S DECISION
>
> The Board has full authority to decide whether or not land is to be sold. There is no way to "force" the sale of any school land.
>
> If, for any reason, the Board feels that it is not in the best interest of the school fund to sell the land, the applicant is so advised and the application is cancelled. The appraisal fee is returned only when there has been no appraisal. The filing fee is not returned.

If the price offered by an applicant is found, after an appraisal, to be reasonable and advantageous to the school fund, and the Board has determined that it is advisable to sell the land, the applicant is so advised; and his offered price becomes the starting bid at the public auction which is to follow.

If it is found advisable to sell the land but the appraisal shows the offered price to be too low, the applicant is advised; and he may be given an opportunity to raise his offer to a figure that will be acceptable to the Board. However, if the offered price is far from acceptable, the application will probably be rejected.[1]

The one major consideration which is mentioned most frequently by the Board is "in the best interest of the school fund." The investigator has been unable to locate a definitive explanation as to what is meant by this phrase. Presumably, the implication is that more revenue is produced from investment than from leases.

The phrase "in the best interest of the school fund" is however, open to a number of interpretations. For example, in the 1965 Colorado Legislature, House Concurrent Resolution No. 1004 advocated:

> Within a period of two years after the effective date of this amendment, it shall be the duty of the state board of land commissioners to dispose of, at public sale, all public lands under its jurisdiction, in the manner

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[1] Sale of State Land. Laws, Rules, Regulations, Policies of the State Board of Land Commissioners. Denver, Colorado, 1965.

> and under such terms and conditions as shall be prescribed by law; provided, that any person who is leasing any such land at the time of its sale shall have the right to purchase such land if he shall meet the highest bid therefore; and provided further, that all moneys derived from such sale shall be deposited to the credit of the public school fund and the income therefrom shall be used for the benefit of the public schools.

The bill was killed in committee but its backers felt that a forced sale of all public school lands was in the best interest of the school funds.

It would therefore seem appropriate to consider some definite steps which should be taken prior to any further public land sales and attempt to establish criteria which would provide information for the best interest of the school fund.

PROCEDURE

The following procedure was the original outline of Project S-446:

> The procedure will involve three major steps. Fifty sections of land representing 32, 000 acres will be selected for study. The fifty sections will be selected in such a way as to represent all types of public lands now retained by the state. This land will be selected in consultation with the three land board members and with suggestions from a land appraiser and civil engineer.
>
> Second, records on file at the land board will be investigated and each section will be visited for the purpose of (1) tracing the history of each section's use and assessed valuation, (2) ascertaining its present use and assessed valuation, (3) securing a professional and

independent land appraiser for the purpose of projecting, and (4) assessing the efficiency of present management of school lands in terms of possible realizable potential. In addition to the professional personnel, consultations will be held with land leasees, ranchers, realtors and speculators who have a direct connection with land and land values.

The 50 sections of land were selected between September 10 and December 31, 1965. It was found during this selection procedure that it was not practical to seek complete 640 acre sections. Many sections have been depleted by sales, and to select land in such a way as to represent all types of public lands held in Colorado, partial sales of plots had to be ignored. Further, in the case of the Colorado State Forest one plot could not be considered without the other 71,000 acres being considered. Therefore, the procedure was modified to the extent that the 32,000 acres in round figures was not used as a basis for selection.

The fifty sections were used as the basis for this study.

The investigator found the State Board of Land Commissioners most cooperative and the three Commissioners helped in the selection of appropriate plots for study. During the course of the study several unforeseen developments altered the status of several of the selected sites. This alteration of status was brought about by such developments as sales; the Atomic Energy Commission's selection of an area East of Denver which included land in the study as a possible atom smasher site and the developments in the Colorado

State Forest. Each of these sites will be discussed in detail in Chapter IV.

The second part of the procedure was also carried out during September 10 - December 31, 1965. Records on file at the State Land Board Commissioners Office in Denver were carefully studied and the history of each plot recorded. The investigator was unable to ascertain the assessed valuation of the plots since this land has never been assessed for tax purposes. These records also indicate the lands present use and the State Land Board Appraiser's record of his evaluation.

Step three of the procedure was started on or about June 20, 1966. Two competent land appraisers agreed to serve on this study and render an opinion of land values based on the recognized appraisal techniques of comparing land sales. These land comparisons were made on contiguous or adjacent lands being similar in use and topography. These opinions rendered on land values in the study are subject to the following assumptions and conditions:

APPRAISERS CERTIFICATE

I, Alden E. Gullickson, certify that I have inspected and carefully analyzed the property under appraisement; that I have no interest past, present or contemplated in the said property; that neither the assignment to make the appraisal nor the fee received therefore is contingent upon the value reported, and that to the best of my knowledge and belief, the statements and opinions set forth are correct, subject to the assumptions and limitations.

Alden E. Gullickson, MAI-SRA

ASSUMPTIONS AND LIMITING CONDITIONS

This report is subject to the following assumptions and/or limiting conditions:

1. That the legal description furnished is correct.

2. No survey is furnished by a registered engineer and it is assumed that the acreage used is correct. Maps included are for visual aid only.

3. No liability is assumed on matters of legal character such as title defects, boundary points, distances, etc.

4. That the title to the land is merchantable; free and clear of encumbrances, restrictions, or reservations which would cause restriction to a clear fee simple title. Property valued as though free and clear under responsible ownership.

5. That the property will continue to be properly maintained, and ownership to be in responsible hands.

6. Any improvements, except fences, on the property as of date of inspection were not inspected, nor included in the value estimate.

7. No valuations were made to existing water rights, if present or not.

8. That the estimates and opinions furnished by others were correct and no liability is assumed on account of such estimates.

9. That the property value applies only as to its present utilization and conditions stated in this report.

10. No right to expert testimony is included with the report, nor attendance in court by reason of this valuation.

11. No right is given to make additional copies of the report, publish the report in whole or in part, without written consent of the maker.

12. It is not intended that the value estimates herein contained be construed as appraisals of the subject properties. Rather, accepted appraisal procedures have been employed to arrive at the aforementioned value estimates.

13. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media without the written consent and approval of the author, particularly as to the valuation conclusions, the identity of the appraiser nor firm with which he is connected, or any reference to the American Institute of Real Estate Appraisers, or to the M. A. I. designation.

PURPOSE OF THE VALUE ESTIMATES

The purpose of the value estimates is to estimate the approximate market value of the properties under consideration based upon a cursary examination of the public records and the relationship of the properties under consideration to the known sales of similar properties in the vicinities of the various subject properties.

As used herein, market value is defined as:

> The highest price estimated in terms of money that a property will bring, if exposed for sale in the open market allowing a reasonable length of time to find a purchaser who buys with knowledge of all the uses for which it is adapted and for which it is capable of being used, and neither buyer nor seller acting under compulsion.

Step four is covered in Chapter V, Conclusions and Implications.

DEFINITION OF TERMS

The following terms in this research are of such a nature as to require definition:

Permanent School Fund: A fund in Colorado, the principal of which the state constitution or laws provide shall be kept permanently invested, and whose income alone, therefore, can be used for the support of the common schools.

School Income Fund: A fund in Colorado used for current school expenditures and is distributed annually. The principal source of this fund is school land leases and other land derived revenues.

CHAPTER IV

ANALYSIS OF THE DATA AND FINDINGS

LIMITATIONS ON ANALYSIS OF DATA

During the course of this study, several developments transpired that altered the status of 10 sections of land selected for study. This appears to be an unusually large number of sections but is probably indicative of the increasing pressure on school lands in Colorado.

In 1964 the Federal Government and the State Board of Land Commissioners exchanged lands in the so-called Lowry Bomb Range-Fort Carson trade. At that time a large block of land was acquired East of Denver, Colorado. In 1966 (January 1), the General Services Administration and the State Board of Land Commissioners completed a final step of the trade by exchanging 11, 244. 63 acres of Federal land at Lowry Field for 22, 694. 79 acres of State land in the Fort Carson area. This exchange was recognized as being a great aid to the public schools of this state.

The following narrative was written by the investigator before the Atomic Energy Commission began to consider this site as a possible location of a proton accelerator:

Arapahoe County - Section 31
Township 5 South
Range 64 West

The State Board of Land Commissioners have controlled this section since 1964. This land is about 30 miles East of Denver, Colorado and was formerly owned by the United States Government. It was part of several thousand acres acquired from the Federal Government through an exchange of land. This exchange is commonly referred to as the lowry Bombing Range - Fort Carson Exchange. This exchange appears to have been a beneficial one for the public schools of Colorado. The state acquired some excellent grazing land and potential development land for some marginal land in El Paso County that the U. S. Army needed for training facilities. Presently, this section is being leased as a part of 10, 771. 60 acres, held by a rancher East of Denver. This lease returns $17, 234. 56 per year in revenue for the public schools of the state. This averages out to be a lease price for this section of $1. 60 per acre.

It appears now that this stable income is reasonable and future development of this area indicates that this land will be used as a residential area. Water will be the limiting factor in this endeavor.

On completion of the exchange the Board issued this statement:

> With the completion of this exchange, the Board will control a total of 23, 927 acres of land in the former Lowry Bombing Range, appraised at $1, 380, 278. 00. Since this tract lies within 30 miles of downtown Denver, there is enormous potential value for it in the future. Contrary to newspaper reports, there is no plan to sell Lowry lands at this time. There is still a possibility that the proposed A. E. C. Proton Accelerator may be located on or near these lands.

Shortly after January 1, 1966, newspaper articles and news releases began to express interest and concern for the Proton Accelerator. Following are two articles that indicate clearly the interest in this land for this purpose:

BEVATRON LAND ACTION URGED

April 28, 1966

Rendall Ayers

Colorado should have a fairly easy time handling the appropriations necessary to make land available for the U.S Atomic Energy Commission's $375 million atom smasher, two state officials said Thursday.

State Sen. Harry Locke, R-Salida, a member and former chairman of the Legislature's Joint Budget Committee, said he foresees no problem in finding enough money to handle the land transaction.

And Raymond Simpson, president of the State Land Board, said he foresees no difficulty in making the land available to the federal government, if Colorado is designated for location of the research project.

Colorado has one of six sites under consideration for the facility. The Atomic Energy Commission, which will make the final selection, has set a May 15 deadline for states to submit additional data supporting their cases.

PRESSURE GROWS

Increasing pressure has been applied on Gov. John Love in recent weeks to call an emergency session of the legislature to resolve any remaining questions that may detract from Colorado's chances to receive the atom smasher.

Colorado is proposing that the atom smasher be located on the old Lowry Bombing Range southeast of Denver.

The state owns about 24,000 acres of the proposed site and the federal government owns about 10,000 acres, Simpson said.

The state-owned portion of the tract is "state school land." It's administered by the State Land Board and profits from the property are applied toward support of public schools in Colorado.

If the state were to give the land to the federal government for the atom smasher project, Simpson stated, the legislature would have to appropriate money to reimburse the state school fund for the property.

"There probably would have to be some legislation passed," said Simpson, a former state lawmaker. "There are some legal requirements, but it's no major problem."

Simpson said land in the area is worth about $55 an acre - or approximately $1.3 million if all 24,000 acres of state land are needed.

Locke said the state probably could come up with that amount of money to accomplish the transfer.

Simpson said he's not certain how much state property the federal government would need, but he added:

"As far as we're concerned, everything we own out there is available - all or any portion of it."

Colorado obtained the former bombing range property in recent trades with the federal government. The state gave up some of its land at Ft. Carson near Colorado Springs and the Pueblo, Colorado, Ordinance Depot to obtain the federal property.

The trades were made on the basis of appraised values and no money changed hands.

LOWRY LAND CONDEMNATION IS PREDICTED

Atty. Gen. Duke W. Dunbar said Monday the Lowry Bombing Range land which is under consideration by the Atomic Energy Commission for the proposed $375 million atom smasher would be condemned rather than sold at public auction if the site is selected.

The land is held by the state school fund. State land normally is sold at public auction.

Dunbar said condemnation proceedings would enable the state to avoid the public auction.

> The State Legislature will meet in special session Thursday to consider a proposed measure setting up the Scientific Development Commission which will have authority to negotiate with the AEC.

The bill as drafted would give the commission the power to exercise eminent domain in the name of the state through condemnation proceedings.

> The procedure would provide a means of transferring title to the state.
>
> Ray Simpson, board president, said it should be realized that if the lands are held by the school fund for some years, they will undoubtedly increase greatly in value.
>
> The board members said the best solution as far as they are concerned, would be for a part of the school lands at the bombing range be taken for the accelerator and for the balance to remain under Land Board control.
>
> This would allow the school fund to derive much additional increase in the value, they said.

During the special session of the State Legislature, authorization was made for the State of Colorado to acquire the land from the State Board of Land Commissioners at its appraised value of $55.00. This land would then be made available to the Atomic Energy Commission for the Proton Accelerator.

The $55.00 figure was based on an appraisal made approximately five years ago. It would be nearly impossible currently to get an accurate appraisal on this land since its intended use has been announced. Further, some persons feel that the $55.00 figure is too low for the following reasons: (1) the appraisal was nearly five years old; (2) the land, being close to Denver, was a potential residential area; and (3) land of this nature in open bidding always derives more revenue.

The future of this land appears now to be industrial development. Recently the Governor of Colorado made a request to the State Board of Land Commissioners to consider a long-range policy in connection with this land, regardless of the Atomic Energy Commission decision. He stated his feelings in a memorandum: It seems clear to me that the State has a tremendous asset in having this large block of land located so close to the airport. It would be my opinion that we should keep the area blocked out, at least for the forseeable future.[1]

The fact that this land is a "tremendous asset" to the state is clear. However, since it is public school land, it does seem reasonable to provide for adequate equity to the public school funds of this state. The legislature has already provided for securing this land for the Proton Accelerator. If this accelerator is not located on this land, it appears defensible to suggest a thorough study of this land with the end in mind of securing maximum income to the Permanent School Funds of Colorado.

The following sections were located in this area and were unable to be appraised based on the explanation just given:

Arapahoe County - Section 20
Township 5 South
Range 64 West

Arapahoe County - Section 10
Township 5 South
Range 64 West

Arapahoe County - Section 27
Township 5 South
Range 64 West

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[1] *Activities of Colorado State Board of Land Commissioners for Month of June 1966.* Board of Land Commissioners, State of Colorado. Denver, 1966.

Arapahoe County - Section 27
Township 5 South
Range 65 West

Arapahoe County - Section 33
Township 4 South
Range 65 West

Arapahoe County - Section 3
Township 5 South
Range 65 West

Arapahoe County - Section 10
Township 5 South
Range 65 West

These sections were picked to show potential residential area in and around the Denver Area. Some of these plots were near the airport and the suburban area of Aurora, Colorado.

A second development removed one section in Teller County from the study. After the selection of the section and before appraisal was made, the section was sold at public auction. (April 25, 1966.) Following is the history of the section and other pertinent information until the section was sold. Also included is the news release by the State Land Board concerning the sale of this section.

Teller County - Section 16

Range 70 West

Township 14 South

This section lies in the mountains West of Colorado Springs, Colorado near the colorful area of Cripple Creek. This section will be covered just a little differently since it was put up for sale before it was studied.

The first appraisal took place in 1924. At that time the appraiser felt that only 30 to 40 acres was good for grazing and the rest too rough for cattle. He further stated that the only use that could be made of this section was grazing. The grazing base was $ .12 and the sales price was listed as $7.50 per acre.

There are no other appraisals available until 1959. At this time the appraiser gave a brief description of the land and recommended a lease of $ .33 per acre. No sales price per acre was mentioned.

In 1965 the lease was again renewed for $ .33 per acre and a cash value of $12.00 per acre was listed.

A sales application was filed early in 1966 against this section and the minimum sales price per acre was $20.00 per acre. Open bidding began on April 25, 1966.

The investigator attended this sale and the following values were received for this section:

N 1/2 or 320 acres sold for $97.00 per acre.
S 1/2 or 320 acres sold for $102.00 per acre.

The sale will add $63,680 to the Permanent School Fund of Colorado.

SALE OF STATE LAND - MONDAY, APRIL 25, 1966
at 2:00 p.m.
207 State Services Building, 1525 Sherman St.
Denver, Colorado

Sale Application No. 65/671

Teller County
School Land

Applicant: Mr. W. E. Mueller
P. O. Box 1087
Colorado Springs, Colorado 80900

Lessee: Howard L. Stone
Guffey, Colorado 80820

Township 14 South - Range 70 West of the 6th Principal Meridian
Section 16: N 1/2 - 320 acres, more or less. Minimum price per acre, $20.
S 1/2 - 320 acres, more or less. Minimum price per acre, $20.

Value of improvements to be determined on the day of sale.

If the purchaser of the above described land is not the owner of the authorized improvements that are appurtenant to and go with the land, he must pay for same at sale.

Terms of Payment: At least 25% of purchase price on day of sale, plus a sufficient amount more to leave the balance in even hundreds of dollars; balance to be amortized over a 33-year period; semiannual payments with interest at 6% per annum.

Reservations: Reserving to the State of Colorado all rights to any and all minerals, ores and metals of any kind and character, and all coal, asphaltum, oil, gas or other like substance in or under said land, the right of ingress and egress for the purpose of mining, together with enough of the surface of the same as may be necessary for the proper and convenient working of such minerals and substances, and subject to any and all easements or rights-of-way heretofore legally obtained and now in full force and effect, if any there be.

No land will be sold at less than the minimum price per acre, as indicated. The land will be offered in tracts as listed. All to be sold, or none, as may be determined by the State Board of Land Commissioners. The Board reserves the right to reject any or all bids. No sale shall become effective until approved by the Board of Land Commissioners, 207 State Services Building, 1525 Sherman Street, Denver, Colorado. Telephone: 222-9911, Extension 2626.

The third development involved Routt County, where one section could not be appraised. It is known that a large coal deposit is located on this land and the Board is becoming more reluctant to sell land with known mineral content. (See discussion on Supreme Court Decision in Introduction.) Following is the complete explanation of this particular section.

Routt County - Section 2
Township 5 North
Range 87 West

This section was first appraised in 1917. At that time the following general statements and land values were placed on this section:

> This section is located 12 miles Southeast of Hayden, a town of 500 people situated on the Denver and Salt Lake Railroad. The surface of this tract is broken by ravines, gulches, and ridges extending in the Northwesterly (sic) direction. Some areas of this section (scattered) are adapted to agricultural purposes. The soil on the tilable areas is first class. The tract is covered with a fair growth of grass, sagebrush, scrub oak and quaking aspen. There is a spring on the Northwest 1/4 which may be developed and plenty of water for stock had. There is a possibility of coal under the surface of this land, although there are no cropping or indications of any mineral. Coal is being mined two to three miles to the Northeast.
>
> State Land Board Appraiser, 1917

The land appraiser placed the following valuations on this section:

Plot	Grazing Lease	Agricultural Lease	Sale Price
NE 1/4	$.10	$.75	$8.00
NW 1/4	$.10	$.75	$8.00
SW 1/4	$.10	$.75	$8.00
SE 1/4	$.10	$.75	$8.00

As nearly as can be ascertained, this is the only appraisal on this section as an individual section. All the subsequent appraisals that have been made have been a part of a large lease of some 16, 410.19 acres consisting of School Internal Improvements, or other state lands administered by the State Board of Land Commissioners in Colorado. In addition to the 16, 410.19 acres, this large livestock operation includes federal land, forest and grazing permits, all making up an integral part of a whole operation.

In 1964, 800 acres were sold out of this large lease over the objection of the Engineer for the State Board of Land Commissioners. He has informed the investigator that at that time there was a strong possibility that much coal could be located throughout this part of Routt County. He would therefore not sign the Board Order which indicated that the land would be put up for sale. The engineer further informed the writer that once a surface is sold, any mining that would take place on the surface of the land could create legal problems in terms of damage to surface. Therefore, it has been his opinion that there should be a board policy, that when minerals are available or the suspicion that minerals may be available on a given tract, this land should be retained by the State Land Board and held for the specific purpose of realizing a greater income via mining operation. The 800 acres just mentioned, sold for a total price of $33, 280.00 which was added to the Permanent School Fund of the State of Colorado on February 17, 1964.

The land is currently being used for grazing purposes by a Vernal, Utah Company. This is a part of a very large land holding, totaling now 15,610.19 acres after the 800 acres were sold in 1964. This returns to the School Income Fund of the State of Colorado some $8,750.90 per year. Also, it has been confirmed that there is coal in this particular area, and more specifically in this section. The Minerals Director for the State Board of Land Commissioners informs the writer that mining operations will likely begin within the next two to three years. The coal on the state land is destined to go to the Hayden, Colorado Power Plant. Further, most of this land will probably be withdrawn from sale possibilities due to mining operations. It is virtually impossible to place a per dollar per acre value on the land that contains minerals. Therefore no attempt has been made to discuss the price per acre on this particular section. This section will not be visited since the sales possibility is remote.

The last section which could not be appraised is located in Jackson County and is a unique situation. Following is an elaboration of a specific school lands problem brought into focus a little more clearly as a result of this study.

*Jackson County - Section 2
Township 5 North
Range 87 West

This section is located within the boundary of an area which is known as the Colorado State Forest. This section cannot be considered as a single unit but rather must be discussed in connection with more than 100 other sections of land making up the Colorado State Forest. The reasons for this and the problems surrounding this area will be discussed in detail.

The Colorado State Forest contains approximately 71, 000 acres of timbered mountain land on the Eastern rim of the North Park in Jackson County. Its eastern boundary is the top of the divide between the North Platte River and the Laramie River drainages - the crest of the Medicine Bow range. The western boundary is an irregular line, following section lines, at the base of the mountains where they flatten out into the prairie-like basin of North Park. The Forest is bounded on the south by Rocky Mountain National Park and the Routt National Forest at the divide between the middle and south forks of the Michigan River. It is bounded on the North by the Routt Forest again, with a line extending nearby east from the town of Cowdery - about seven miles south of the Wyoming border. The Rawah Wild Area, part of Roosevelt National Forest, adjoins the State Forest on the east.

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* The investigator is indebted to Commissioner Wesley E. Woodard for a comprehensive revue of the State Forest problem. Much of this narrative was supplied by Commissioner Woodard in a short publication issued in early 1965. His permission to use this document has been very much appreciated. Senior Forester Henry Jones also was helpful in this work.

From the rugged Nokhu Crags, towering 12, 485 feet above sea level at the southeastern corner, it is about 28 miles to the strange and little known sand hills on Government Creek at the northern border. From Cameron Pass to Gould, along the county highway (No. 14), it is nearly eight miles, crossing the Forest at its widest part on the banks of the Middle Fork of the Michigan.

All of the Forest lies above the 8400 foot elevation; and it is drained, for the most of its length, by the Canadian River and its tributaries. The Canadian flows into the North Platte, A few ponds, such as Agnes, Kelley, and Clear Lakes are tucked away in the high folds of the divide.

A large part of the Forest is on the steep, rocky slopes of the Medicine Bows, with the eastern boundary above timber line for most of its length. This high country is bare and rocky, and mountain sheep are occasionally seen on the crags. There are stands of old Englemann spruce in the canyons near timber line and large forests of lodgepole pine - small timber, not over 75 years old - below. The western part of the Forest is rolling, cut by innumerable streams, with frequent meadows and some sagebrush and aspen. In many ways, this is a wilderness, just as it has always been, with a few tracks unworthy of the name of roads, and almost no signs of man's occupation except scattered herds of cattle and sheep.

The Forest is 'State school land" - a designation and a status that is not understood by most of the people of the State. It is not "public" land, as are the national forests and parks.

The Colorado State Forest was created in the late 1930's in an exchange with the United States Government. The 16th and 36th section lands in Colorado included many sections of land scattered throughout the mountainous area that was to become a National Forest. At that time it was obvious that these sections could best be administered by the Federal Forest Service and that it would be to the best advantage of the school funds of the State to trade these scattered sections in the National Forest.

In the late 1930's an exchange was negotiated with the Forest Service whereby a large block of land was obtained in Jackson County which was formerly in Routt National Forest. These 71,000 acres are now known as the Colorado State Forest and is retained by the State for the benefit of the public school children of this State.

This block of land differs somewhat from the typical school land in Colorado since the law clearly prohibits the sale of any parcel of this land. The land board has the legal right to sell any school land in the State of Colorado except this State Forest land. Chapter 112, Article 7-10-11 states:

> 112-7-10. Colorado state forest created. - (1) There is hereby created "the Colorado state forest," to consist of a consolidated area of forest lands to be selected by the state board of land commissioners, through exchange with the United States government.
>
> (2) The state board of land commissioners shall be authorized to exchange school, university, penitentiary, internal improvement, agricultural college or any other state lands, either within or without the United States national forest, for other lands of at least equal area and appraised value, for the purpose hereof.
>
> (3) The state forest lands, when so selected, from time to time, by formal resolution of the state board of land commissioners, shall be set aside, and sale of any parcel or part thereof prohibited.

The withdrawal from sale of such lands shall be so designated upon the records and plat books of the state board of land commissioners in accordance with this section.

(4) The state board of land commissioners is hereby authorized and empowered with the administration of the state forest lands; the leasing of same for grazing, agricultural, mineral and all other purposes to secure the maximum rental and revenue therefrom; to provide for and extend the practice of intensive forestry for its preservation; to sell, cut and remove timber therefrom in accordance with good forestry practice; and to provide for protection against fire hazard.

(5) The state board of land commissioners shall prescribe and issue rules and regulations for the administration and leasing of such lands and for the preservation, conservation, cutting and sale of timber thereon; and for the improvement of such lands, the building of trails, roads and otherwise and for the expense thereof.

(6) The general assembly shall, from time to time, provide for the necessary expense of the administration and improvement of the state forest lands, by an appropriation from the land commissioners' expense fund of the state board of land commissioners.

(7) Any person, or corporation, who shall trespass, commit depredations, or by negligence be responsible for any fires, or who shall cut or remove any timber from the state forest lands without authority so to do from the state board of land commissioners, shall be deemed guilty of a misdeameanor and, on conviction thereof, shall be punished by a fine of not more than three hundred dollars, or by imprisonment in the county jail not more than three months, or by both such fine and imprisonment.

112-7-11. Board to designate state forests. - The board is authorized to designate as state forests, units of land suitable in character and size for such purposes and to administer such units for the sustained yield of forest and range products therefrom. All funds of moneys collected or acquired by the board from rentals in the administration of such units, shall be paid over to the state treasurer to be deposited and transferred as follows: Seventy-five percent to the public school income fund of the state and twenty-five percent to the general county school fund of the county in which the land from which the rentals were derived is located.

The major source of income from the Forest has been the sale of timber. In the period from the creation of the Forest, 1939 to 1950, a total of $93,191 was realized from the sale of timber. In the next ten years, from 1950 to 1960, when most of the commercial timber was harvested, timber sales brought in $543,860. Since then, due to diminished stands and a weak timber market, sales have amounted to $65,628 in four years.

These sales in the early part of 1961 brought a storm of criticism. The State Forest looked bad because the cutting areas were near the roads and were easily observed. About this time, a more concentrated campaign began to appear to make the State Forest a large park under the jurisdiction of the State Game, Fish and Parks Department. This was not a new idea but as near as the investigator can discern this was the period that generated today's (1965-66) enthusiasm for this proposition.

Other income from the Colorado State Forest consists of grazing leases, two small tourist resort leases and a very small amount of revenue from mineral leases.

The old Forest Service allotments consisted of ten leases and covered 70,762 acres. In 1959 all grazing leases were cancelled, and one lease was granted to the State Forest Grazing Association for $8,904 or $1.25 an acre. In 1963, the rental rate was raised to $9,343 per year.

All of this income does not go into the School Income Fund. Twenty-five per cent of the revenue derived from these leases returns to the County in which the Forest is located. Nearly all this revenue is returned to Jackson County.

The two small tourists leases bring a total of approximately $500.00 per year to the School Income Fund.

In nearly twenty-five years, the State Forest has only returned $46,480 to the school funds from mineral sources. It appears that this condition is not likely to change and minerals as a source of revenue from the State Forest are not an important consideration.

The current developments tend to indicate that there is much pressure from a variety of sources to make the Colorado State Forest a public park under the jurisdiction of Colorado Game, Fish and Parks Department. This, of course, should be contingent upon adequate compensation to the school funds of Colorado.

In early 1966 a number of editorials, newspaper articles and quotes from State Legislators have appeared in the Denver Post concerning the Colorado State Forest and its recreational possibilities. The following four articles best inform and summarize the basic interest and perhaps the basic problem of converting the Colorado State Forest from school land to a public recreational area.

FOUR SENATORS REVIVE PROPOSAL FOR WALDEN PARK

"The possibility of converting the 71,000 acre state forest near Walden into a state park administered by the Colorado Game, Fish and Parks Department again flickered to life Monday when it was injected into discussions on the floor of the Colorado Senate.

"Four senators - Paul Wenke, R-Fort Collins; Edwin Lamm, R-Grand Junction; Fay DeBerard, R-Kremmling, and Sam Taylor, D-Walsenburg - rose to support the idea of converting the land to a state park.

"Wenke said the conversion would be an inducement to increase tourism, and Lamm urged legislators to support the move.

"DeBerard suggested legislators give the plan some thought this summer and be ready for action next year. Taylor urged lawmakers to 'get busy this winter.'

"Giving rise to their remarks was a report on the state forest distributed earlier Monday among senators by Harry Woodward, director of the State Game, Fish and Parks Department.

"The forest is administered by the State Land Board. Transfer of the property to the Game, Fish and Parks Department, which has been discussed for many months, would have to be authorized by the General Assembly."

STATE FOREST SHOULDN'T BE FORGOTTEN

"The Colorado State Forest, a 71,000 acre area lying along the high front ranges of Northern Colorado, would be an ideal place for recreation development. It would provide outdoor facilities for the heavily populated Denver metropolitan area and would be a major tourist attraction to people who otherwise might speed past Colorado on Interstate 80 traversing Southern Wyoming.

"In the light of these advantages, we hope the plan to develop this state-owned forest can get the attention it deserves.

"The prospects do not appear very good at this time because an offer put forth by the Colorado Game, Fish and Parks Department concerning the forest has been rejected by the state's three land commissioners.

"These commissioners are charged with operating all state school lands, including the forest, in a manner that will benefit the state public schools to the maximum.

"The commissioners, led by Chairman Ray Simpson, thus expressed reasonable doubts about allowing the Game and Fish agency to tie up the forest for 50 years at an annual rental fee of $10,000.

"The commissioners, however, have not rejected the basic idea. There is, thus, the possibility of a compromise.

"Development of the recreation features of the forest is an attractive goal for a number of reasons. The forest is strategically located. It is part of the spur of beautiful mountain country which juts northward toward Wyoming's treeless plains. It is, therefore, an area of great potential.

"A roadway, perhaps financed by federal funds if such became available, could carry many people from the Snowy Range area west of Laramie, Wyo., south to the Rocky Mountain National Park area. Coloradoans living along the front Range, similarly, could get into the area for fishing and camping, especially if the Cameron Pass road west of Fort Collins is improved as part of the over-all plan Travel between Rocky Mountain and Yellowstone National Park would be enhanced.

"The growth of recreation demand is almost certain to put an increasingly high priority on such areas as the state forest. We hope, consequently, that both the Land Board and the Colorado Game, Fish and Parks Department will continue to work at developing this area. It has an exciting potential."

LOVE FAVORS STUDY OF FOREST SWAP

"Governor John Love said Thursday he favors continued study of the possibility of an exchange of the State Forest between the Colorado Land Board and State Game, Fish and Parks Department.

"The 71,000-acre forest near Walden is administered by the land board, which has said it would be willing to sell the property if it received legislative authorization.

"Game and fish officials recently offered to lease the forest from the land board for 50 years at a rental fee of $10,000 annually.

"The proposal got a cool reception from the land commissioners.

"Love said that access roads to the forest would have to be improved if the area were to be developed for a state park."

LAND BOARD INTERESTED IN SELLING STATE FOREST

"Members of the Colorado Land Board said Tuesday they are interested in the possibility of selling the 71,000-acre State Forest to the State Game, Fish and Parks Department.

"The forest is located near Walden in Jackson County and is being administered by the Land Board.

"A statement issued by the three-member board said legislation authorizing a sale would have to be passed by the General Assembly and noted that a bill probably will be presented during the current session.

"Such a bill would not make the sale mandatory nor determine the price, board members said.

"Ray Simpson, Land Board President, said the forest would have to be appraised but estimated its worth at between $2 million and $2.5 million.

"The board's statement said it now appears 'that it will be some time - possibly years' before the Game, Fish and Parks Department could finance the purchase of the forest.

'STRONG PROBABILITY'

"The statement added, however, 'there are many problems and complications in the proposed sale but it appears there is a strong probability that a sale can be made (sometime in the future).'

"The land board listed three reasons why sale of the forest would be a good idea:

"-Revenue from the forest is declining because timber cutting is nearly completed. Revenue from rental of the forest land is not adequate to cover the management expense.

"The Land Board maintains a forest headquarters, two foresters and various equipment to service the area.

"-The forest is an ideal area for recreation development, which is outside the province of the board.

"-Receipts from the sale of the forest when reinvested, would produce more revenue than is now being obtained.

"Simpson said state income from the forest in the last fiscal year amounted to $35, 000.

"The proposal of a sale was advanced by the Game, Fish and Parks Commission at a recent hearing before a legislative committee. "

The investigator has talked with many people in Game, Fish and Parks and it now appears that the possibility of a State Park in this area will be a reality in the near future. Three important points emerge from the current discussion on this matter. (1) Adequate legislation is needed; (2) A comprehensive appraisal of the value of the forest needs to precede any action concerning sales or leasing; and (3) Adequate compensation needs to be made to the public school funds of Colorado.

From the school point of view it may be desirable to think seriously of a change in use for the Colorado State Forest. This statement is made with the knowledge that the income from the Forest does not appear to be as high as its potential.

On March 10, 1966, a meeting was held in Walden, Colorado, to discuss the possible future of the Colorado State Forest. The question and answer session at that time was most revealing. Due to the importance of the figures, and the nature of the questions and answers, the total exchange between the State Board of Land Commissioners and the North Park Game and Fish Association is reproduced here:

March 10, 1966

QUESTIONS ON STATE FOREST ASKED BY NORTH PARK GAME AND FISH ASSOCIATION

Budget

Question 1: Are the figures proposed in Governor Love's budget for the maintenance and supervision of the Forest for the next year correct?

Senior Forester	$ 7, 920
Assistant	5, 812
Utilities Cost	1, 291
Building Insurance	39
New Jeep	2, 530
Maintenance	3, 000
	$ 20, 592

Answer: These figures are correct, but do not reflect the expenses of operating the Forest for a year.

The figure for the Senior Forester is for all his activities, which include supervision of all State forested areas. Mr. Jones estimates that about 1/3 of his time should be charged to the Forest.

Of the $1, 291 for utilities, only $1, 219 is chargeable to the Forest.

The cost of the new jeep should be prorated over several years and the trade-in or sales value should be deducted.

The $3, 000 for maintenance is actually a contingency fund for use in case of a fire. It has not been used and is carried in the budget for a case of emergency.

With these revisions, the budget would read:

Senior Forester	$ 2, 640
Assistant	5, 812
Utilities	1, 219
Insurance	39
New Jeep	500
	$ 10, 210

Question 2: Are these receipts correct for the fiscal year ending June 30, 1965?

Timber cuttings	$ 10, 100
Grazing rights	10, 227
Mineral operations	5, 086
	$ 25, 413

Answer: The receipt figures are correct. Deducting expenses as shown in Answer 1 from these receipts, the net income to the State, from the Forest, for one year, is $15, 203.

Question 3: Are these receipts all from the Colorado State Forest?

Answer: Yes; these receipts are all from the State Forest.

Question 4: Why are the expenditures taken out of the General Fund and not deducted from the Forest's receipts?

Answer: The Board has no control over the funds it collects. By law, all monies collected by the Board go to the State Treasurer for the school fund. The Board receives no monies except what is appropriated for specific expenses by the legislature.

Question 5: What are the Land Board's plans to do with the money if the Forest is leased or sold?

Answer: Any money received from the sale of the forest would, according to law, go into the permanent fund and be invested in bonds -- the interest from the bonds going to the school income fund.

Any money received from a lease of the forest, or any other State school lands, goes to the school income fund and is used for current school expenses.

The Board handles the investment of permanent school funds but has no control at all over the current income to the schools.

Question 6: If the Forest were now sold to the Game, Fish & Parks Department at a figure of around $2, 000, 000 and the money invested at 3 1/2%, would not the Land Board have more money to contribute to the State School Fund than they do now?

Answer: There are a number of answers to this question:

a. The present laws do not allow the Board to sell any part of the forest.

b. Even if the laws are changed to allow sale of the forest, it would be necessary to sell the forest at public auction. The Federal Enabling Act which created the State of Colorado provides for public sale at auction. There is no other way to sell State lands.

c. The figure of $2, 000, 000 is an off-the-cuff estimate and not based on a real appraisal. If sold at public auction, the price might be much more than this.

d. The money obtained from public sale would be invested at about 4 1/2%.

e. Yes, the Board would have much more money from the income from investments, to contribute to the school fund than it does now. (Perhaps $90,000 a year--based on a sale at $2,000,000.)

f. The Board has never opposed a sale of the State Forest. In fact, it has supported this proposal, if the law can be changed to provide for it.

Question 7: If the Forest is leased for 50 years (or for any other period of years) to the Game, Fish & Parks Department, what guarantee will there be at the end of that period that the Forest will not then be sold to a private concern?

Answer: At present, there is a guarantee that the Forest will not be sold at the end of fifty years, or any other time, because there is a law preventing its sale. However, the legislature could change this law at any time. The Board might make an "immunity lease" on the Forest, but this could lead to a situation where the Board is not getting the most revenue from the Forest. Because of the public sale provision in the Enabling Act, there can never be any guarantee that the Forest won't be sold to a private individual or concern--if it is sold at all.

Sale, Trade or Lease

Question 8: Has the Land Board approached the U. S. Forest Service with respect to trading the Forest for National forest land within the State?

Answer: Informal talks and suggestions to the Forest Service, in regard to trading the Forest back to them, have met with no interest. Also, it appears that the Forest Service has no large areas of land that they are willing to trade, or that the Board would accept. Since the law provides that no part of the Forest can be disposed of, there can be no exchange.

Question 9: Has the Land Board approached the Bureau of Land Management with respect to trading the Forest for BLM land within the State?

Answer: No. The Board has made a number of exchanges with BLM and is, even now, discussing more exchanges. But BLM does not have lands that the Board considers desirable for the school fund.

Question 10: Is the Land Board considering the sale of the Forest to a private concern?

Answer: The Board is not considering the sale of the Forest to anyone because of the law that forbids it. If the law were changed, the Board certainly would consider a sale of the Forest. But, as explained above, the sale would be at public auction and anyone might be the successful bidder. The Board cannot control this.

Question 11: How soon could a possible lease or sale of the Forest take place?

Answer: It is possible for the Board to make a lease on the Forest, for public recreation purposes, at any time. The present grazing leases are subject to cancellation if a different use is to be made of the Forest. However, there are a number of serious administrative problems in such a lease. It is clear that Game, Fish and Parks would want, and need, enough authority to manage the Forest as they desire. It is very uncertain whether the Board can give them all this authority. And the Board does not want to get into a situation where there would be conflict on this subject between the two departments. It is doubtful whether, for instance, the Board can delegate its authority to determine the extent of grazing in the Forest to another department. Perhaps these questions may be resolved in the future. The Board has not closed all considerations of the possibility of a lease.

As has been fully explained above, the Board is forbidden, by law, to sell any part of the Forest.

Question 12: Is there at the present time plans to sell or lease a portion of the Forest to private individuals to build motels or stores?

Answer: The Board, in recent years, has been interested in leasing a portion of the Forest to private individuals for motels, stores, or any other uses that would bring more income to the school fund. Three such leases are now in effect: to Rex Shelley for M-M Camp, to Gerald Hampton for a small resort camp at the west edge of the Forest on Highway 14, and to Don Colter and Samuel Ray for a resort-type camp in the Muddy Park area. This last lease is for 60 acres at $600 per year. There is certainly a possibility that there will be many more of these and the Board is glad to consider any proposals along this line. Recently, there has been some discussion of a possible ski resort site in the Cameron Pass area, and the Board is interested in any sound legitimate project of this kind.

Question 13: If the Land Board is not willing to sell or lease the Forest to Game, Fish & Parks Department, how does the Land Board propose to raise money for the State School Fund after timber operations cease?

Answer: The first part of this question is based on an erroneous supposition. The Board is not unwilling to sell or lease the Forest to Game, Fish and Parks. Secondly, the Board is interested in any and all possibilities that would raise money for the school fund. No solid, substantial proposal has been refused a hearing or turned down. There is no doubt that there will be considerable development in the area in the near future and that the Board will derive increased income from developments in the Forest, whether from Game, Fish and Parks or from some other persons or organizations. The Board cannot be a construction or development agency, but it is ready to make necessary leases to any such agencies.

Grazing Permits

Question 14: Who holds grazing permits on the Forest, for how many animals and how much does each permit cost?

Answer: The entire State Forest (except a small area around headquarters) consisting of 70, 318 acres, is leased to the State Forest Grazing Association. The present rental rate on the entire lease is $9, 307.00 per year. This is a lease, similar to all other State school land leases, and not a permit.

The lease recites that the former individual lessees were authorized to carry 3100 sheep for 2 1/2 months each year and 1462 cattle for 3 months each year. The stock allotment is broken up into 11 different areas. The lease reads: "The above numbers of stock and seasons of use are considered to be proper for normal utilization of the annual growth of forage." The lease does not specifically limit the association to these numbers or seasons.

The Board knows, generally, who the members of the association are and who can use the forest, but it keeps no current record of the members. The Board does not attempt to regulate or record how much each member pays for his share of the Forest lease.

Question 15: How many years do the permits run?

Answer: The present lease to the Association expires May 31, 1969.

Question 16: Do the permit holders have any guarantee the permits will be renewed?

Answer: The Association has no guarantee that the lease will be renewed. However, if the Forest continues to be used for grazing, it is very probable that the lease will be renewed. Grazing leases may not be longer than 10 years. A ten-year lease is reviewed at the end of the first five years for possible adjustment of the rental rate.

Question 17: How many months of the year do the permits allow grazing on the Forest?

Answer: The lease is for the full year, although 2 1/2 months for sheep and 3 months for cattle are recited in the lease. The lease does not specifically forbid use of the forest at other times.

Question 18: Does the Land Board check each individual holder of grazing permits to see if they are living up to their permits? How often does this check take place?

Answer: No. These are not permits. See description of lease in 14.

Question 19: What percentage of the grazing money does Jackson County get? Who gets the remaining percentage?

Answer: Jackson County receives 25% of the grazing rental income on State school land. It should be realized that about 77% of the Forest is school land and the other 23% belongs to other funds such as agricultural college, internal improvements and State university. The actual percentage of all income from grazing which goes to Jackson County is 18.38%. Larimer County receives .84% for the small area of the Forest east of the divide.

Mineral Operations

Question 20: What mineral operations were the $5,086 derived from?

Answer: All except $80 of this figure was derived from oil and gas leases (exploration). The $80 is from a silver lease. There has been no mineral production and hence no royalty income.

Question 21: What fund does the money from the mineral leases go into?

Answer: All this income from mineral leases goes to the current school income fund.

Timber sales:

Question 22: What fund does the money from timber sales go into?

Answer: All revenue from sales of timber goes into the school "income" fund and is part of the current appropriation for schools. As previously stated, the Board has no authority over these funds.

Question 23: When there is a new timber sale, is it advertised for bids or is one of the present operators given it?

Answer: Timber Sales--By law, any sale of timber over $1,000 must be advertised and sold at public auction. Prior to 1965 any sale over $500 was advertised. The law was changed in January, 1965.

There have been no sales of timber in the State Forest since 1954. Three contracts there are still in effect--one to Willeys, one to Bockman, and one to Hughes. Due to a number of circumstances--a slow market, sickness of an operator--these have not yet been completed.

Question 24: When will timber operations cease?

Answer: The Board expects to advertise and sell one more timber sale this summer--about 1 1/2 million board feet. That should be completed in about 3 years. This should be the end of timber sales (except possibly poles and pulpwood) for the foreseeable future.

Question 25: Break down by years the money received from timber sales and amount paid each year by each of the timber operators. (If you wish to use a chart to show this, please feel free to bring it.)

Answer: See attached chart. *

General

Question 26: How Many acres are there in the Forest?

Answer: 71,000.36 acres.

Question 27: Are individuals allowed to post the Forest as private land?

Answer: Not as private land. Lease provides that area must be kept open for hunting and fishing.

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* Chart not included in study. The chart summarizes timber activities in the State Forest for a number of years.

In summary of this particular situation in Colorado, it now appears the Colorado State Forest will be put to a change in use. This change in use could be of benefit to the people of Colorado as well as the Permanent School Fund. However, the paramount consideration must remain adequate compensation based upon a comprehensive appraisal of the Colorado State Forest.

The Legislature must then pass appropriate legislation to permit this transaction.

Perhaps a comprehensive study of the whole State Forest issue should be made before any action is initiated.

These limitations then, indicate the nature of some of the problems that prevail in Colorado. These 10 sections were not appraised but the history and background just presented gives the investigator and the reader a little of the depth of public lands problems in the State. The second part of this work is devoted to the analysis of the 40 sections, visited and appraised by an independent land appraiser.

Adams County - Section 16
Township 1 South
Range 65 West

The Northwest 1/4 was sold in 1915 before any formal appraisal was made. The sale price on these 160 acres was $1, 920.00, or $12.00 per acre. This report deals with the remaining 480 acres.

The first formal appraisal of this section was made in 1943, apparently in conjunction with the applications for sales made at that time. The following is a description of the State Land Board Appraiser's evaluation of this section. The general statement is as follows:

> The half of this section is rolling and sandy land.
>
> All except about 60 acres is under cultivation. The 60 acres are too sandy to cultivate and the lessee sows rye each year to hold the top soil on for pasture. J. L. Stinnett's lease expires December 6, 1943. I recommend rejection of the sales application and a new lease be granted to Mr. Stinnett at $.75 per acre on 260 acres, and $.12 on the balance. This is a considerable increase in rental to justify rejection of the application for sale. Mr. Stinnett agrees to the increase and will pay whatever additional amount the board asks until the expiration of his lease. The Southwest 1/4 is under lease to another party. It is sandy soil and not as good as the East 1/2. The two tracts have been leased separately for a number of years. Therefore, if the land should be sold, it would be okay (sic) to sell in two separate tracts.

The appraiser further noted that the land should be leased at $.12 for grazing purposes, and $.75 for agricultural purposes; for sales price, the East 1/2 of the 16th section to be offered at $15.00 per acre, and the Southwest 1/4 to be offered for $12.50 per acre. Since the sales application bore the figure $6.00 per acre, the board canceled the applications for sales.

No other record of appraisal is available until November, 1958. At that time, the Southwest 1/4, or 160 acres, was evaluated as follows:

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* The General Statements in this work are quoted directly from Land Board Records. There are many grammatical and spelling errors. No attempt has been made to correct these errors and the reproduced materials are in their original form. Further, all 1966 appraisals are the work of an independent land appraiser described in the procedure of this study.

160 acres of agricultural land was being leased at $2. 50 per acre, the cash value noted at that time, $40. 00 per acre if sold. This was returning $400. 00 per year to the School Income Fund of the State of Colorado.. The East 1/2 or 320 acres was being held in an agricultural and grazing lease. The other 160 acres is being farmed and grazed as a part of a large holding representing two different types of state held land. Section 2 South is included in this lease and is Internal Improvement Land. Section 16, East 1/2 is public school land and a combination of these two leases bring to the School Income Fund and to the state for internal improvement purposes, $1. 084. 74 per year. It was extremely difficult to break down and see exactly how much internal improvement monies and how much school lands was being farmed and was being grazed.

In 1964, the land was again appraised and the SW1/4 (the 160 acres of agricultural land) was now being leased at $2. 75 per acre which returns $440. 00 per year to the School Income Fund and will do so until 1975. This whole section then brings in approximately $950. 00 per year to the School Income Fund for the support of schools in Colorado.

Table 2 shows the increase in value over the years to be from the low of $12. 00 per acre in 1915 to its present value of $75. 00 per acre of July 1, 1966. The income from leases has increased from $221. 40 in 1943 to $950. 00 at the present time.

TABLE 2

Year	Plot	Sales Value	Lease Value
1915	NW 1/4	$12.00 (sold)	-
1943	E 1/2 Section 16	$15.00	$.75 agriculture
	SW 1/4 Section 16	12.50	.12 grazing
1958	E 1/2 Section 16	no estimate available	no estimate available
	SW 1/4 Section 16	$40.00	$2.50 agriculture
*1966	E 1/2		
	SW 1/4 Section 16	$75.00	

* Independent Land Appraiser value estimate

APPRAISERS OPINION

LEGAL DESCRIPTION

Section 16, Township 1 South, Range 65 West of the Sixth Principal Meridian, except the northwest one-quarter (NW 1/4), Adams County, Colorado.

LOCATION

Approximately 8.5 miles south and east of Brighton - Adams County Courthouse - on Bromley Lane.

ACCESS

Fronting asphalt paved road on north and gravel road on west, affords access to southwest one-quarter.

TERRAIN

Gently rolling, typical of area.

Sandy soil. Wheatland. Patches of bindweed in southwest one-quarter. Most of the southeast one-quarter is in grazing land, estimated 60 to 80 acres. Old dilapidated shack, windmill and board fence at center of section on north line. No value. Takes out approximately 2 acres of land. Windmill does not appear to be in working condition.

ANALYSIS OF COMPARABLE SALES

Sale No. 1 is one-half mile east on north side of Bromley Lane. Assessor classifies as 200 acre dry farm and 120 acre grazing. Sold with another one-half section further east. Transaction between father and son. Sale at $47.00 an acre in 1964 between father and son. No improvements except loss of approximately 2 acres from previous old building location on southwest corner Section 10, Township 1 South, Range 65 West.

Sales Nos. 2, 3 and 4 took place 4 years ago before the past 4 years of dry weather.

Sales Nos. 5 and 6 are very comparable and of recent date.

CORRELATION

Consideration must be given to the weed problem on subject section of land.

The last 2 sales occuring in 1966 and the one sale between father and son seem to set the value range for subject.

FINAL ESTIMATE OF VALUE

Bases upon the information contained in this report with particular emphasis on the market data, it is my opinion that the market value of subject property, as of July 1, 1966, is:

$75.00 per acre or $36,000 for 480 acres.

SUMMARY TABULATION OF COMPARABLE SALES

Sale No.	Date of Sale	Land Area	Sale	Unit Price	Terrain and Soil
1	2/28/64	2 parcels total 640 acres	$30,000.00	$ 47.00	20% grazing.
2	2/16/62	638.76 acres	$83,200.00	$130.00	60% dry 40% grazing.
3	4/2/62	320 acres	$35,000.00 (adjusted)	$110.00	220 acres classify grazing.
4	6/18/62	160 acres	$20,000.00	$125.00	80 acres grazing.
5	1966	640 acres	$48,000.00	$ 75.00	80 acres grazing in soil bank. Estate sale.
6	Sales Contract 5/14/66	320 acres	$24,000.00	$ 75.00	30 acres waste. Estate sale.

Adams County - Section 36

Township 1 South

Range 66 West

The first formal appraisal on record at the State Board of Land Commissioners was made in 1944. At that time the State Land Board Appraiser made the following general statement and placed the following values on the land. The general statement is as follows:

> This is a rolling prairie section - sandy soil, but produces good row crops. Probably too sandy to grow wheat successfully. The grass is good. Considerable cactus covers the South 1/2 of this section but the past few years have done much towards killing it out. I believe that the minimum rates on this should always stand at $.75 per acre for the farm land and $.10 per acre on the pasture.

At that time the lessee was farming 80 acres and paying $.75 per acre. The remaining 560 acres was being used for grazing purposes and the lease price was $.10 per acre. Thus, in 1944, the land was returning $116.00 per year to the School Income Fund of the State of Colorado. The appraiser further noted that if the land was to be sold, the sale price should be $10.00 per acre; and that there were $2,000.00 of improvements on the land belonging to the lessee.

This appraisal was apparently made because of a sales application that was filed in February 1944. In the available records there was some doubt as to the motives of the sales applicant. The following statement was found in the record:

> Although there seems to be no particular reason for saying it, we have no knowledge of the age of the applicant to purchase, but in a number of instances, applications to purchase have been made by fellows attempting to evade the draft.
> Dated: February 28, 1944

In that sales application, there appears to be no offer by the person making the application. The board canceled this sales application a very short time later with no explanation.

In 1948, a second sales application was filed against this section. At that time the following appraisal was made concerning this section:

The land in 1948 was valued as follows: 90 acres were now being cultivated at a price of $1.25 per acre. This was returning $112.50 per year to the School Income Fund. On the remaining 550 acres a grazing lease was granted at $.12 per acre, which was returning $66.00 per year. The combined income on the section at that time was $178.50. The appraiser further noted that if the land were to be sold, it would be offered at auction at not less than a minimum price of $30.00 per acre. Since a sales applicant offered $20.00 per acre, he refused to proceed with the advertisement and the sales application was then canceled.

In 1958, a formal appraisal was made. At that time the records indicate that the agricultural land has been increased to 160 acres and the grazing land was 480 acres. The rental per acre on the agricultural land was $2.50 per acre. The combined income of this section has now reached $592.00 per year to the School Income Fund of the State of Colorado. The estimated cash value placed by the appraiser was $45.00 per acre on the farm land and $20.00 per acre on the grass land.

In 1964 the land was again appraised for lease purposes. At that time, a general description of the land was made and the following values placed on it: 160 acres was being leased for agricultural purposes at $2.50 per acre. The grazing lease consisted of 480 acres at $.43 per acre. The cash value on the agricultural land was not stated. On the grazing land, $35,000 per acre. The section now returns each year to the School Income Fund of the State of Colorado $606.40 and will do so each year until February 1975.

Table 3 is a recapitulation of values on Section 36.

In a twenty-two year period the sales value has increased from $10.00 to $50.00 and the income has increased from $116.00 in 1944 to $606.40. By holding this section the schools of the state have realized a stable source of income and also realized a substantial appreciation in value per acre.

TABLE 3

Year	Plot	Sale Value	Lease Value
1944	Section 36	$10.00 per acre	$.75 agricultural per acre
			.10 grazing per acre
1948	Section 36	$30.00	$1.25 agriculture
			.12 grazing
1958	Section 36	$45.00 farm land	$2.50 agriculture
		$20.00 grazing	.40 grazing
1964	Section 36	no estimate farm land	$2.50 agriculture
		$35.00 grazing	.43 grazing
*1966	Section 36	$50.00	$2.50 agriculture
			.43 grazing
			(existing lease)

* Independent appraiser value estimate on sales.

APPRAISERS OPINION

LEGAL DESCRIPTION

Section 36, Township 1 South, Range 66 West of the Sixth Principal Meridian, Adams County, Colorado.

LOCATION

Approximately 5.5 miles southeast of Brighton County Courthouse on Bromley Lane thence south 3 miles to the northwest corner the section on Picadilly Street.

ACCESS

Good. Bromley Lane asphalt paved. Picadilly Street gravel. Also a gravel county road on north of section.

TERRAIN

Rolling. Typical of area except for a drainage area from higher ground to southeast across east one-half and north one-half to northeast corner of section. Land subject to wash from rains.

The north one-half of northwest one-quarter is in summer fallow and corn. Corn poor. Northeast one-quarter in pasture as well as rest of section except south one-half of southwest one-quarter in wheat. Estimated 80 acre dry farm, 560 acres grazing. Fenced. Some very poor in southwest one-quarter.

IMPROVEMENTS

Improvements located in west center of section. Not inspected. Consist of old 1 1/2 story small house, newer house appeared moved in (not on assessor rolls), barn, chicken house, miscellaneous sheds - condition poor. Corrals poor. Assessed to Dilmar Jackson, Jr. for $910.00 on state land. Their value $4043.00 without house mentioned above.

ANALYSIS OF COMPARABLE SALES

All sales appear better than subject due to large percent of subject in grazing land. Subject should have another 40 acres in grazing land.

Exceptionally large percentage of subject in grazing land due to drainage across subject.

Sale No. 1 is comparable except it is from father to son and is 2 year old.

CORRELATION

Recent sales indicate higher prices being paid, but they also have less percentage in grazing and bulk of land dry farm.

Consider subject is poor compared to other sales.

Value seems to fall between the low of $47.00 and current sales of $75.00 and treads toward lower limit.

FINAL ESTIMATE OF VALUE

Based upon the information contained in this report with particular emphasis on the market data, it is my opinion that the market value of subject property, as of July 1, 1966 is:

> $50.00 per acre or $32,000.00 for 640 acres without improvements.

SUMMARY TABULATION OF COMPARABLE SALES

Sale No.	Date of Sale	Land Area	Sale	Unit Price	Terrain and Soil
1	2/28/64	2 parcels total 640 acres	$30,000.00	$ 47.00	20% grazing.
2	2/16/62	638.76 acres	$83,200.00	$130.00	60% dry 40% grazing.
3	4/2/62	320 acres	$35,000.00 (adjusted)	$110.00	220 acres classify grazing.
4	6/18/62	160 acres	$20,000.00 (adjusted)	$125.00	80 acres grazing
5	1966	640 acres	$48,000.00	$ 75.00	80 acres grazing in soil bank. Estate sale.
6	Sales Contract 5/14/66	320 acres	$24,000.00	$ 75.00	30 acres waste. Estate sale.

Arapahoe County - Section 36

Township 4 South

Range 61 West

The first written record available on this section was made in 1928 by the State Land Board Appraiser. The following general statements concern this section:

> The above land is located four miles East and three miles South of Byers to the Northeast corner of the section in a good neighborhood, and while the section is somewhat rolling, all can be cultivated except the West 1/2 of the Northwest 1/4.
>
> In order to protect the state's interest, I recommend that the entire section be sold or none, for the good land will always take care of itself and the poor land will be left on the state's hands.
>
> Inspected: April 11, 1928

This State Land Board Appraiser further placed the following values on this land: The subdivision in the East 1/2 of the section; grazing lease, \$.08; agricultural lease, \$.75; sale price, \$20.00. The SW 1/4; \$.08 grazing lease, \$.75 agricultural lease, \$18.00 for sale purposes. The NW 1/4; \$.08 grazing lease, \$.75 agricultural lease, \$15.00 for sale purposes.

The next appraisal was made on July 9, 1935. Only the South 1/2 of the section was included in this appraisal. The following statement was made by the Chief Clerk of the State Board of Land Commissioners:

> South 1/2 of section 36: all the land has been plowed. It is rolling, sandy soil and has blown badly in places. Should not be plowed again. The grazing lease should be at \$.08 value; for sale purposes, \$5.00 per acre.

A list of improvements was also made. It should be kept in mind that this was made at the height of the depression years when there was a perceptable lack of moisture and land values were at an extremely low level.

In 1952, this land was all held under the same lease. There is no record available in the appraisal file as to what this lease was bringing into the School Income Fund at that time. However, in 1956, the investigator has found that it had been evaluated in two different evaluation reports indicating that it is now being held by two separate parties. The 320 acres in the South 1/2 is held by one lessee, and the 320 acres in the North 1/2 is held by another.

In 1956, the following report was made concerning this section: The farm land was delineated in the South 1/2 as 200 acres, renting at $2.50 per acre. The pasture land, 120 acres, renting at $.30 per acre. The general statement reads substantially the same as the one in 1928. The North 1/2 of the section lists farm land at 180 acres renting for $2.50 per acre and the pasture at 140 acres renting at $.35 per acre. There was no indication as to what the land would be sold for if offered for sale.

In 1960, the South 1/2 of the land was again appraised with the following values indicated: The agricultural land was again placed at 200 acres, but the rental price had been increased to $2.75 per acre; the grazing land was listed at 120 acres, rental price, $.40 per acre. This total brings in $598.00 per year to the School Income Fund of the State of Colorado. The cash value of the land if sold: The agricultural land was listed at $50.00 per acre; the grazing land at $20.00 per acre.

The North 1/2 of the section was again described as the agricultural land, being 180 acres renting at $2.75 per acre, the grazing land, 140 acres, rental price, $.40 per acre.

The cash value, if this land is sold: $75.00 per acre for agricultural land; grazing land, $15.00 per acre. It is interesting to note that in a two year period this $75.00 indicates a $25.00 increase in the sale price of this land in the other 1/2 of the section. This was made in October of 1962.

The total return this time is $551.00 per year to the School Income Fund. The combined income from this section currently is $1,149.00 per year to the School Income Fund.

This will bring in $1,149.00 until the year 1973 when the lease on the North 1/2 expires. The lease on the South 1/2 will be up in 1967, and currently returns $598.00 per year to the School Income Fund.

Table 4 recapitulates the values of section 36 from the first available records in 1928 to July 1, 1966. The land has increased in value from $20.00 in 1928 to $65.00 per acre in 1966. There was no estimate available on income in 1928 but the section of land currently returns $1,149.00 to the School Income Fund.

TABLE 4

Year	Plot	Sales Value	Lease Value
1928	E 1/2 Section 36	$20.00 per acre	$ .75 agriculture .08 grazing
	SW 1/4 Section 36	18.00	.75 agriculture .08 grazing
	NW 1/4 Section 36	15.00	.75 agriculture .08 grazing
1935	S 1/2 Section 36	5.00	.08 grazing
	N 1/2 m	no appraisal available	no agriculture
1956	S 1/2 Section 36	no estimate available	$2.50 agriculture .30 grazing
	N 1/2 Section 36	no estimate available	2.50 agriculture .35 grazing
1960	S 1/2 Section 36	$50.00 per acre 20.00 per acre	$2.75 agriculture .40 grazing
	N 1/2	$75.00 15.00	2.75 agriculture .40 grazing
	average	$40.00 per acre	
*1966	Section 36	$65.00 per acre	

* Independent appraisers value estimate

APPRIASERS OPINION

LEGAL DESCRIPTION

Section 36, Township 4 South, Range 61 West of the Sixth Principal Meridian, Arapahoe County, Colorado.

LOCATION

3 miles south and 4 miles east of Byers, Colorado, to the northeast section corner.

ACCESS

Good gravel road from Byers to property and along east section line.

TERRAIN

Gentle roll typical of area.

Rattlesnake Creek crosses northwest portion of section approximately one-half mile on the west line and . 3 mile on north line. Normally dry except flood creates pasture only estimated 120 acres.

Dry shallow drainage draw traverses land approximately . 3 mile west of southeast corner diagonally to northwest corner into Rattlesnake Creek. In typical dry years this does not greatly affect field conditions.

South fence line on east one-half is out due to past drifting sandy soil.

The approximate north one-half is in the soil bank. Grown up into crested wheat and Sand Love grasses except northwest corner where Rattlesnake Creek cuts through. Suitable for pasture. Knolls blow off badly and should not be plowed.

The approximate south one-half is in wheatland. Summer fallow ground very full of weeds of various types at this time.

ANALYSIS OF COMPARABLE SALES

One large transaction reported to the southwest was a deed for an undivided one-half interest between members of a family; no revenue stamps.

Recent sales were recorded to the north in Adams County. This land is comparable to subject.

CORRELATION

After a review of the comparable sales and consideration of the waste land, draw, and land without water more suitable only for pasture, subject does not appear to be as good as most comparables.

FINAL ESTIMATE OF VALUE

Based upon the information contained in this report with particular emphasis on the market data, it is my opinion that the market value of subject property, as of July 1, 1966, is:

$65.00 per acre or $ 41, 600.00 for 640 acres.

SUMMARY TABULATION OF COMPARABLE SALES

Sale No.	Date of Sale	Land Area	Sale	Unit Price	Terrain and Soil
1	2/28/64	2 parcels total 640 acres	$30,000.00	$ 47.00	20% grazing.
2	2/16/62	638.76 acres	$83,200.00	$130.00	60% dry 40% grazing.
3	4/2/62	320 acres	$35,000.00 (adjusted)	$110.00	220 acres classify grazing.
4	6/18/62	160 acres	$20,000.00	$125.00	80 acres grazing.
5	1966	640 acres	$48,000.00	$ 75.00	80 acres grazing in soil bank. Estate sale.
6	Sales Contract 5/14/66	320 acres	$24,000.00	$ 75.00	30 acres waste. Estate sale.

Boulder County - Section 16

Township 1 North

Range 71 West

This particular section is commonly known as the Sunshine Canyon Section. It is west of Boulder, four to five miles, depending on how the distance is measured. The road is in good hsape and there has been a tremendous demand for this type of mountain property for homesites. There remains in this section only 320 acres. Some years ago the West 1/2 of this section was lost to the State of Colorado through a mineral claim made on this section; thus, 320 acres were lost to the state. However, the state was reimbursed by 320 acres of lieu land selected near Glenwood Springs, Colorado.

The first record available and the first appraisement that is available at the State Board of Land Commissioners was dated April, 1921. At that time a general statement was made concerning this section and reads as follows:

> The above described land is located three miles West and two miles North of Boulder, Colorado, based on square turns, but the way the road winds, they call it six miles from their house to Boulder. It is a typical mountain ranch with a beautiful view to the South looking down Sunshine Canyon. The land is very rolling and ridgy (sic) with numerous deep draws, with a stony outcrop running from a point just North of the East center line to a point a little South of the North plot as the mineral patent comprising about 30 acres I was told (sic). There is said to be about 20 acres in alfalfa and cultivated land. This land I place for lease purposes at the minimum agricultural value for immunity land, which I think is at $1.00 per acre, and the remaining portion for grazing purposes at the minimum for immunity lease, was the road right-of-way and the mineral patent (sic).

Inspected April 8, 1921. State Board of Land Commissioners Appraiser also described at this time was $1, 940.00 in improvements on this land. A further appraisement reveals that the East 1/2 section grazing lease was let at $.12 per acre, the agricultural least at $. 50 per acre, and if sold the land should be sold for $12. 50 per acre.

From 1921 until 1956 there is little information available in terms of a formal appraisal. It is consistent with most of the records investigated in this study in that there is a large gap of information from the 1920's to the late 1950's. This reflects a number of problems, principally the depression years when money was not available to send the appraisers to check on certain sections until after World War II when tires and gasoline were not at such a premium. Much of the information was gathered in recent years when much better records have been kept.

In 1956, these 320 acres were again visited by the State Board of Land Commissioners Appraiser and the following values were delineated:

> This 320 acres is in the mountains or foothills. There is a county road that splits the place East and West. Much of the land North of the road has open parts and at one time some of it has been farmed but the land is very steep. It has a good sod of grass now. At one time it was used for meadow. I will (sic) think it would take a lot of rain to grow hay on a steep hill like that. The South side has less open parts, more trees and rocks. There are two springs on the North side, one good and the other pretty weak in dry years. There is no water on the South side. There is water in a creek below on deeded land.

He placed the following values on the 320 acres in 1956: The rental rate per acre was $. 25, no agricultural lease was mentioned, and the cash value per acre was listed at $14. 00 if sold. This was for surface useage only.

The next appraisal on record was made in 1961 when a 10 years lease was requested. At that time the 320 acres were still intact. The general description and general statement were exactly the same as made in 1956, however, the rental price was listed at $.35 per acre, the cash value per acre, $17.50. This was the first time that the State Board of Land Commissioners Appraiser mentioned that this land had valuable potential for the subdivision of mountain homes. Perhaps the best indication of the value of this particular section located in the foothills near Boulder, Colorado, would be to describe the sale that took place at public auction on March 13, 1961. At that time 19.054 acres were sold at auction for $21,712.50. This means that the average price per acre was nearly $1,143.00. Many people have been inquiring as to the availability of this property and it is interesting to note that the State Board of Land Commissioners has decided to look into the possibility of subdividing this section for the purpose of selling it in plots. The following quotes a letter sent to a prospective buyer from Boulder, Colorado:

> Mr. Woodward, Our Board engineer has requested aerial photographs of the geological-survey and as soon as these photographs are received, we will attempt to divide the land into more saleable parcels. We can also at that time better describe the parcels.

Another sales application has just recently been received from a prospective buyer in the Boulder, Colorado area. The prospective buyer has made a request for 10 to 15 acres in the East 1/2, SW 1/4, or a fractional part thereof in section 16 in this particular area, and has offered as a sale price, $500.00 per acre. This sales application has not been acted upon as yet, however, it appears very likely that this $500.00 per acre at public auction will not be sufficient to acquire this land. The history of the development of the land around the Sunshine Canyon area is such that this land may very well go over $2,000.00 per acre. At present, there remains in this particular section, 277.513 acres which is all being leased at $.35 per acre and return $97.13 per year to the public school of the State of Colorado. It appears the potential of this land is to subdivide and sell in saleable plots and one of the land board members informs the writer that shis could very well sell from $2,000.00 to $3,000.00 per acre.

Table 5 reflects the values for surface useage only and does not indicate the potential of this section. Perhaps a true picture of the trends can best be established by quoting figures from a recent land sale by the State Board of Land Commissioners (August 8, 1966).

> STATE CASHES IN FOR $86,000 ON SALE OF 25 MOUNTAIN ACRES
>
> Denver (AP) - The State of Colorado cut in on the boom in mountain land when the Board of Land Commissioners auctioned off five tracts, totaling a little more than 25 acres, Monday afternoon for nearly $86,000.
>
> The land is on the Sunshine Gulch road between Boulder and Gold Hill. It is about 4.5 miles west of Boulder.
>
> Four of the tracts were purchased by a Boulder group and the other by a Greeley family.
>
> Dr. Irwin Sclar, Dr. Wesley Brittin and Dr. David Robinson paid $38,000 for 10.18 acres and bought an adjacent 4.81-acre parcel for $16,000. An adjoining 7 35 acre tract went to Mrs. Louise Robinson for $19,250. Dr. Sclar paid $10,500 for another 3 acre tract now adjoining the property but which eventually may be separated from it by a road.

The Greeley purchasers were Donald L., William F., Kent W., and Margo L. Richmond, who bought a nearby parcel of 1.94 acres for $2,200.

The bidding carried over into sales of several tracts of farm land put up at auction by the board at the same time.

It announced these prices an acre and the successful bidders:

Logan County, 160 acres, $145, purchased by William E. Williams, Sterling.

Weld County, 320 acres, $55, purchased by Robert Heron of Denver; and an adjoining 320 acres purchased for $80 by J. Burton Tuttle of Platteville.

Yuma County, one section purchased by Jack Wagonblast, Denver, half for $140 and half for $97.

Las Animas County, 40 acres, $25, by Frank Heeren, Model.

Grand County, one section purchased by E. Jedd Roe, Denver, owner of Eagle Pass Ranch at Kremling, half for $55 and half for $75.

El Paso County, 320 acres, $95, purchased by K. M. O'Donnell, Denver.

Adams County, one-half acre, $700, purchased by Anthony Cosini, Denver.

TABLE 5

Year	Plot	Sale Value	Lease Value
1921	E 1/2 Section 16	$12.50	$.12 grazing
1956	E 1/2 Section 16	$14.00	$.25 grazing
1961	E 1/2 Section 16	$17.50	$.35 grazing
[a]1965	E 1/2 SW 1/4 (10-15) acres)	$500.00	
1966	E 1/2 Section 16	$300.00	

a - based on sales application

APPRAISERS OPINION

LEGAL DESCRIPTION

The East One-Half (E 1/2) of Section 16, Township 1 North, Range 71 West of the Sixth Principal Meridian, Boulder County, Colorado.

LOCATION

Located approximately 4.9 miles northwest of Boulder on the Sunshine Canyon Road to the east section line from the intersection of Mapleton and Broadway.

ACCESS

Sunshine Canyon Road (County Road No. 52) traverses the property approximately midpoint from east to west. It is a good gravel road 1 1/2 miles from asphalt pavement to the southeast.

TERRAIN

Generally rolling with a typical high of 7000 feet in the center north to south and dropping to 6800 feet on the north, east and south with Bald Mountain at 7161 feet in the southwesterly one-quarter of this one-half section.

It is typical of the area, though 400 feet higher in elevation, of that land in Sections 22, 23, 26, and 27 subdivided and known as Seven Hills.

TREND

The trend in the area is toward higher priced homes ($25,000.00 - $50,000.00) on lots from 2 to 5 acres. The area of Seven Hills Subdivision sold very well and a new area is now being platted with similar sites. These lots are sold without mineral reservations and with fee simple title. It is understood that on subject land there are several claims and all minerals would be reserved.

Seven Hills has underground telephone cable and graveled roads. It is understood any new privately sponsored subdivision would be required to have asphalt paved roads to county specifications, increasing development costs.

All homes in the area are served by individual wells varying in depth from 200 to 300 feet at the 6200 - 6400 feet level which could mean on subject land these wells would have to be from 800 to 1200 feet deep.

Land has been sold in the area by the State Land Board at Auction with one sale of approximately 20 acres at over $1100.00 per acre with minerals reserved.

Small parcels of subject land are currently being offered for sale at auction August 8, 1966, with a low bid of $500.00 per acre acceptable.

Many times these small parcels represent the best land and most accessible sites so often not representative of sales for the whole or one-half section parcels.

The trend is for smaller parcels to bring a higher unit price than larger acreages. The purchasers often are not fully informed buyers.

The financing on these state sales has been extremely good - 25% down, balance over 33 years at a lower interest rate than typical in market (current offering is at 6%).

About two-thirds of subject land is on a north slope which is not as desirable for year-around homes as the south slope due to snow conditions and lower winter temperatures, especially at the 7000 feet level.

ANALYSIS OF COMPARABLE SALES

The best most recent sale of a large tract consisting of 399 acres was made March 1, 1966, on south slope land at $450.00 an acre. This land lies to south and southwest of subject and is from 400 to 600 feet lower in elevation and will have access to 2 good roads.

CORRELATION

Numerous small parcels sell at a higher per unit price.

Development of large parcels are time consuming and expensive due to county requirements.

Some land may be lost on account of old mining claims.

FINAL ESTIMATE OF VALUE

Based upon the information contained in this report with particular emphasis on the market data, it is my opinion that the market value of subject property, as of July 1, 1966 is:

$300.00 per acre or $83,274.90, say
$83,500.00 for estimated 277.583 acres.

Boulder County - Section 36
Township 2 North
Range 71 West

This is a typical section of school land that is undergoing a change in use. The history of the section indicates that the value has increased substantially in recent years. For example, in July of 1955, the State Land Board Appraiser made the following appraisal:

> This section is in the mountains, a lot of pines. There is a good sized creek running from Southwest to Northeast. It would be a good grazing section the way the water is situated, but it would have to be fenced as the forest is all around it. The present lessee only uses it for camp site. It has a road running from Southeast to Northwest that seems to be kept in good shape.
>
> They have been paying $.10 per acre as it would be hard to lease to anyone for grazing, I think about $.12 would be all we could ask (sic).

Cover	Acres	Price per acre	Total
Grass and pines	640	$ .12	$76.80

Appraised value of land, $5.00 per acre = $3,200

In 1961 the same appraiser concluded that the land was "better suited for recreation," and suggested a lease price of $ .12 per acre and a sale value of $7.50 per acre.

In 1962 a thorough evaluation was given this section with the following appraisal:

> This section is now leased to the Game and Fish Department at $ .12 per acre.
>
> (No. 31976)
>
> We have an application from Jach A. Witken to purchase this section for $25.00 per acre.
>
> The section is on the list of lands within Roosevelt National Forrest (sic) which are to be exchanged with the Forrest (sic) Service for some of their lands.
>
> Reports on the Land:
>
> A. Old Forrest (sic) Service report:
>
> > Examined August 11, 1919 by Reddick and Anderson
> > 215 acres timberland, less than 2 M.B.F. per acre
> > 106 acres timberland, 2 to 5 feet M.B.F. per acre
> > 316 acres woodland, cordwood, poles, etc.
> > 3 acres barren, above timberline
>
> In James Creek drainage. Creek flows to E across South 1/2. Flat to gently rolling surface topography. Elevation, 9200 to 9700 feet.
>
> Merchantable timber: Engelamann Spruce, and Lodgepole Pine 10" to 18" diam on 106 acres. Originally heavy timber thinned by early

day cutting (sic). Old burn over most of section being reforested. Total merchantable (1919) --- 288 M. F. B. Passable roads from good primary road a short distance East of section.

Adjoins Ward mining area. Intensive mining work south of this section. Much shallow prospecting, all abandoned, no mineral claims. Has permanent stream of water and is considered good fishing stream. Used for camp sites. Of secondary importance for grazing. Cannot be used in winter because of excessive snow.

B. Report of W. H. Pattison, Mineral Director (current):

All the area is in a mineral belt generally thought to have Beryl possibilities. No proved deposits. No information as to potential value.

C. Report of Dale Show, Assistant State Forester, September 19, 1962:

This section is just North of the town of Ward and is very accessible since a surfaced road runs just East of it and a good dirt road all the way across its East-West length (sic).

South St. Vrain Creek flows all the way across this section from West to East and much of the dirt road mentioned above goes along the creek. This section lies in an area that is fast being developed for home sites and recreation. Since the topography on the section is not rough, it seems ideal for either.

If the land board still controls this section, I would suggest looking at it closely before trading.

Recommendation: I believe we should look over this section carefully before putting it up for sale or exchanging it with the Forrest (sic) Service. Also, see if Game and Fish are interested in buying it. It is possible that the Forrest (sic) Service may put a high enough value on this land to make it worthwhile as a trade for other lands.

Wesley E. Woodward Engineer

On December 7, 1962, the State Board of Land Commissioners voted to retain this section but the sales application for $25.00 has not been canceled.

In this same month, the Forest Service initiated a preliminary investigation of Section 36, Township 2 North, Range 73 West. This preliminary work was done by a land Exchange Officer of the United State Department of Agriculture. Using scales of comparable lands as a basis for judgment, the Officer found that the Forest Service could be justified in offering $75.00 per acre for this section. In his letter to the State Board of Land Commissioners, the Forest Supervisor stated that "Depending on the market trend and additional facts of a more intensive investigation, there is a good possibility of this value becoming higher."

In January of 1965, an application for sale was filed against this section. An offer of $40.00 per acre for the North 1/2 and $60.00 for the South 1/2 was rejected by the Land Board since the Forest Service had already offered $75.00 for the section. However, there is still a sales application on file for $25.00 per acre which has never been acted upon.

In April of 1964, Mr. Henry Jones, Colorado State Forester, made a comprehensive study of this section for the purpose of evaluating it as a possible portion of a large exchange with the United State Forest Service. At that time Mr. Jones made the following general statement:

> This section is not any good for grazing and the only possible future use is recreation or to be developed for home sites.
>
> When I first looked at this the first time (sic) in 1962 I thought at that time it would be worth from $50.00 to $100.00 per acre, but land has gone up since that time and now I have put the price per acre at $120.00 (sic).
>
> The topography is not considered rough.
> The total sales price for the section would now be $64,000.00

Table 6 shows the recapitulation of values for Section 36, Township 2 North, Range 73 West:

TABLE 6

Year	Plot	Sale Value	Lease Value
1955	all section 36	$ 5.00 per acre	$ .12
1961	all section 36	7.50 per acre	.12
1962-April	all section 36	25.00 per acre	.12
1962-December	all section 36	75.00 per acre	.12
1964	all section 36	120.00 per acre	.12

The present status of this section is as follows:

The land exchange between the State Board of Land Commissioners and the Forest Service has not been satisfactorily negotiated. Therefore, the section is being retained under lease by the State Board. There seems to be little evidence that any exchange will be initiated in the near future.

Table 7 recapitulates the values of section 36 over a period of 11 years.

TABLE 7

Year	Plot	Sale Value	Lease Value
1955	Section 36	$ 5.00 per acre	$ .12 grazing
1961	Section 36	7.50 per acre	.12 grazing
1962	Section 36	75.00 per acre	.12 grazing
1964	Section 36	120.00 per acre	.12 grazing
1966	Section 36	63.00 per acre 105.00	-

These values vary substantially because it is so difficult to evaluate potential recreational land. It appears that the important point here is that the land has appreciated in value from $5.00 to over $100.00 per acre. This section could indeed warrant an in depth appraisal before any action is taken concerning sales.

APPRAISERS OPINION

LEGAL DESCRIPTION

Section 36, Township 2 North, Range 73 West of the Sixth Principal Meridian, Boulder County, Colorado.

LOCATION

Approximately 1 mile north of the town of Ward, Colorado, in Boulder County.

ACCESS

Southeast corner of section approximately .7 mile west of State Highway 160 on a narrow unimproved trail road. Not considered public access. This trail road continues on across the southerly part of Section 36. It is normally accessible only during the summer months.

TERRAIN

The terrain is rolling to steep mountain slopes, heavily wooded with lodge pole Pine, Spruce and under-growth of Aspen. It is not suitable for good grazing.

Typical elevation is 9400 feet. Varying from 9200 to a peak of 9600 feet in the west central portion of the section.

The South St. Vrain River crosses the lower or southerly part of the section from west to east with a gaging station located approximately midpoint in the west-east direction. The river derives its flow from a series of lakes in the southwesterly range of mountains. Storage is held in a series of lakes for irrigation companies. These lakes are at elevations from 10,345 to 10,868 feet. One lake appears accessible by trail road.

TRENDS

The area trends are, and have been for many years, towards summer homes and cabins in the more accessible locations and preferably along a stream.

However, as noted on the sales map, several parcels from 40 to 80 acres have sold in relatively similar inaccessible locations presumably for cabin sites and possible future development. May be anticipating proposed extension of county road No. 104.

The sections abutting have had no sales activity due to location in park area.

ANALYSIS OF COMPARABLE SALES

The most comparable property is that of Sale No. 9. However, the access was extremely difficult due to 7 miles from highway. After purchase, agreements had to be reached with other ranches to obtain access on trail roads existing in the area. The sale took place 5 years ago.

Sales Nos. 4, 5 and 7 tend to set the upper limit since Spring Gulch traverses the property and it is not necessary to cross from access into property as in Sale No. 2. Spring Gulch not as good nor does it have the continuous flow of the South St. Vrain River.

Sale No. 1 appears low due to elevation up to 9000 feet and no stream except at very southeast corner of land. Terrain more rugged than others in area.

Sale No. 2 has stream crossing the very northeast corner of land, is more open, and closer to state highway.

Sale No. 3 is lower due to fact it does not access to trail road. However, it is at a lower elevation and most of the area is on a south slope. No stream. More open and less rugged. Reservations of 10% royalty interest for 15 years on oil, mineral ores extracted and sold from premises.

Sale No. 6 tends to indicate the lower limits due to no access onto property and no stream. Elevation between 8800 and 9000 feet. This sale would indicate the value of subject for the north half of the section. Certain portions excepted within U.S. Mineral Surveys.

All sales were made including all minerals and water rights appurtenant except as noted.

Subject is all at a higher elevation from typically 500 to 1000 feet, and much of the land on a north side slope. Access to the northerly half of section would be difficult.

Sale No. 8 deleted on account of type of deed and obviously out of the pattern.

CORRELATION

Based on analysis of the land and comparable sales it appears the north 320 acres would be valued at $60.00 per acre providing access was purchased or easements granted through the south half of section.

The south half section if sold in 80 acre parcels providing access as shown on the map and the St. Vrain River traversing each parcel, it is estimated the value would be $150.00 per acre.

Therefore:	320 acres @ $ 60.00 per acre =	$19,200.00
	320 acres @ $150.00 per acre =	$48,000.00
	640 acres	$67,200.00

$67,200.00 divided by 640 = $105.00 per acre.

Noting that as the number of units (acres) increase, the sale per unit decreases.

40 acres typically	$175.00 to $200.00 per acre
80 acres typically	$105.00 per acre
120 acres typically	$ 67.00 per acre
320 acres typically	$ 55.00 per acre

It appears that as the land area increases in typical multiples of land purchases, the unit price decreases about 40%. Hence, $67,200.00 less 40% ($26,880.00 equals $40,320.00 or $63.00 per acre.

In using a weighted average and deleting Sale No. 8, we have a total of $70,700.00 in sales divided by $1067.00 unit price or an average of $66.00 per acre.

Therefore, we find:
1. Subdividing into 5 tracts - $105.00 per acre
2. Discounting larger tract area - $63.00 per acre
3. Arithmetic average - $66.00 per acre

FINAL ESTIMATE OF VALUE

The value of subject appears to fall between $63.00 and $105.00 per acre.

Allowing for time on Sale No. 9 and adjusting for betterment of stream and existing trail as to Sale No. 6, in my opinion as of July 1, 1966, the estimated value of subject is $80.00 per acre or $51, 200.00 if sold as one parcel of land containing 640 acres.

SUMMARY TABULATION OF COMPARABLE SALES

Sale No.	Date of Sale	Land Area	Sales Price	Sale Per Unit
1	6-28-63	80 acres	$ 8,500.00	$105.00
2	8-5-63	40 acres	$ 7,000.00	$175.00
3	8-17-63	40 acres	$ 6,000.00	$150.00
4	8-31-63	40 acres	$ 8,500.00	$210.00
5	9-7-63	40 acres	$ 8,200.00	$205.00
6	9-26-63	120 acres	$ 8,000.00	$ 67.00
7	8-31-63	40 acres	$ 7,000.00	$175.00
8	8-14-64	40 acres	$ 4,000.00	$100.00
9 *	5-1-61	320 acres	$17,500.00	$ 55.00

* No. 9 - 7 miles from good highway. Purchaser had to negotiate right of way for access.

Boulder County - Section 36

Township 1 South

Range 71 West

This is a rugged mountainous section that has been used almost exclusively for grazing purposes. The first evaluation of this property that is on record at the State Board of Land Commissioners was made in 1935. At that time, the section was described as follows:

> This section is divided by a high mountain extending through it from North to South making the East and West portions entirely inaccessable from each other. There are 80 - 100 acres of good grazing on the East side, and about 40 acres on the West side. The remainder is a little more than sheer rock cliffs. There is some timber in the mountain crevaces but it is rather inaccessable. That portion under lease is very good grazing but there is no stock water. There is a small spring however on the West half of NW 1/4. An old railroad grade which has never been used as such crosses the NE corner of this section.
>
> Evaluated 2-21-35, State Land Board Appraiser

He further stipulated that if the land were to be sold, none of it would be worth more than $5.00, and none of it for leasing purposes was worth more than $.08 per acre.

The investigator found that he was talking about 440 acres in this section. Upon investigation, it was found that this section had been depleated by sales over a number of years.

In 1907, the NW 1/4 of the NW 1/4 (40 acres) was sold for $140.00. Again in 1907, the SW 1/4 of the NW 1/4 was sold, 34.42 acres less some land granted to a railroad for right of way, for $120.47. In 1909, the SW 1/4 of the SE 1/4 (30 acres) was sold for $105.00 and in April 1910, the SE 1/4 of the SE 1/4 (40 acres) was sold for $320.00 per acre. This leaves a balance in this section at present of 440 acres.

The next appraisal that is available was made in June of 1955. At that time, a general description was made which was much the same as that made in 1935. At that time, the acreage was being used exclusively for grazing and the price per acre on the lease was $.15. No price was quoted if the land was to be sold.

In 1960, the land was again appraised for leasing purposes. At this time it was appraised in two separate parcels. A 320 acre parcel lying on top of a high mountain, and 120 acres of a little more desirable grazing land. At that time, the following values were placed on this property: The 320 acres was valued at $.25 per acre which would return $80.00 per year to the School Income Fund of the State of Colorado. However, an adjustment was made in the rental at a later date, no reason being given for the adjustment in rental, and it now returns $60.00 per year to the School Income Fund.

The 120 acres of a little more desirable land in 1959 was valued at $.40 per acre grazing price, and cash value if sold, $20.00 per acre.

Table 8 recapitulates values on Section 36 over a period of 59 years.

TABLE 8

Year	Plot	Sale Value	Lease Value
1907	NW 1/4 NW 1/4	$ 3.50	$ .08
1935	440 acres (see text)	5.00	.08
1955	440 acres	no estimate available	.15
1960	320 acres (see text)	no estimate available	.25 grazing
	120 acres	20.00	.40 grazing
*1966	440 acres	30.00	-

* Independent appraisers value estimate

Over the years, Section 36 has increased from $3.50 in 1907 to $30.00 per acre on July 1, 1966. The lease value has increased from $.08 per acre to the present $.325 average per acre.

APPRAISERS OPINION

LEGAL DESCRIPTION

Section 36, Township 1 South, Range 71 West of the Sixth Principal Meridian (Government Tract 132), except approximately the West One-Half (W 1/2) of the Northwest One-Quarter (NW 1/4) and also except approximately the South One-Half (S 1/2) of the Southeast One-Quarter (SE 1/4) and except right of way for Denver and Salt Lake Railroad and South Boulder Diversion Canal, Boulder County, Colorado (remainder considered to be 440 acres).

(Subject section evidently consists of 440 acres. The Boulder County Assessor shows 4 parcels out totaling 130.13 acres, leaving 509.87 acres less railroad right of way and right of way for South Boulder Diversion Canal.)

LOCATION

Northeast section corner about one-quarter mile south of Eldorado Springs.

ACCESS

By trail road to northeast corner about 1 1/2 miles from State Highway 398. Does not appear to have public access. Present trail road used for access to water diversion pipeline. Horse trail road from east section line down to Eldorado Springs.

IMPROVEMENTS

In northeast one-quarter corner is an old shack cabin and horse barn of no value. · Does not appear to be fenced along east and north.

TERRAIN

Only terrain inspected was in northeast corner of section. Consisted of steep mountain side with ravine. Also barren rock without cover. Drops off rapidly on northeast side.

The Denver Salt Lake Railroad traverses section in winding manner and have a right of way deeded to them.

South Boulder Diversion Canal cuts diagonally across north one-half of north one-half.

Pipeline visible from tunnel at one point in northeast one-quarter of northeast one-quarter.

Open grazing land among trees on steep slope. Not too heavily forested except in ravines. Did not inspect Railroad R. O. W. to determine its effect on subject.

TRENDS

Little activity in area except large ranch to west and northwest. One parcel of similar land, 160 acres, sold north of subject. Area typically used for grazing. No indication of stock water availability.

ANALYSIS OF COMPARABLE SALES

The most comparable sale was No. 3 on January 8, 1966, of 160 acres that appears comparable for terrain and access. Sale $37.50 per acre. Assessed value at $1200.00 . Another small approximately 40 acre parcel sold to owner of adjoining land at $64.60 per acre. Assessed value $400.00.

A large tract of 4400 acres sold as a working ranch for $80.00 acre in 1961. A portion recently sold in 1966 at about $145.00 acre for 730 acres. Not comparable due to size, access and was a working ranch.

Sale No. 3 was to owner of adjoining property.

CORRELATION

It appears, due to the type of access and its doubtful nature, the separation into two parcels by the railroad, unknown nature of the right of way for a major pipeline, indicated lack of stock water, relatively little activity in area and general terrain, that subject would be trending toward lower sale range as indicated by Sale No. 3.

FINAL ESTIMATE OF VALUE

Based upon the information contained in this report with particular emphasis on the market data, it is my opinion that the market value of subject property, as of July 1, 1966, is:

> $30.00 per acre or $13,200.00 for estimated
> 440 acres.

SUMMARY TABULATION OF COMPARABLE SALES

Sale No.	Date of Sale	Sale	No. of Acres	Unit Price
1	3/9/64	$ 2,500.00	38.69	$64.60
2	2/7/61	$350,000.00	4400	$80.00
3	1/8/66	$ 6,000.00	160	$37.50

Clear Creek County - Jefferson County

Section 25, SW 1/4 of SW 1/4, 40 acres

Section 26, SW 1/4, 160 acres

Section 35, E 1/2, 320 acres

Section 36, N 1/2, 320 acres; SW 1/4, 160 acres; N 1/2 of SE 1 /4, 80 acres;
SW 1/4 of SE 1/4, 40 acres. Total: 1,120 acres

This is all in Township 4 South, Range 72 West.

As nearly as can be ascertained, this land was first appraised in 1928. At that time, most of the approximately 1,000 acres was described in individual plots and for the most part, valued at $.08 grazing leases and $5.00 per acre selling price. The general statements and appraisals sound similar. One will be quoted here to give a general idea to the reader of the type of land. The general statement is as follows:

> This is a very rough mountainous tract of land which I cannot locate exactly without survey. But near as I can tell it is located in the head of a draw or basin which enters Bear Creek some two miles below. It might possibly have a small spring of water or two on it but of this I am not at all certain. It is more than a mile from the nearest road and out of the question to build on as the expense would be too great for the advantage gained. The timber consists of Aspen and undergrowth Pine, Spruce and Lodgepole. It seems to have been burned over many years ago.
>
> June 8, 1928 State Land Board Appraiser

The only other appraisal found on record at the State Land Board was made in the year 1959. At that time the total 1,120 acres was described and the following values put on it: "the 1,120 acres rental price per acre, $.32, cash value per acre, $16.00 if sold. May, 1959. State Land Board Appraiser."

In 1965, the same Land Board Appraiser but identical values on this land. The rental remained the same at $.32 per acre, the cash value per acre remained at $16.00. However, in his general statement, he did concede the fact that there was a strong possibility that this type of land would be used for homesites. In the last sentence of his appraisal, the following comment was made: "When the deeded land around this is sold for homesites, this lease will no doubt sell for the same purpose at a very good price."

Presently the 1,120 acres is being all leased for grazing purposes at $.32 per acre, which returns to the School Income Fund of the State of Colorado, $358.40.

Table 9 recapitulates value on Section 25, 26, 35, 36 for a period of 38 years.

TABLE 9

Year	Plot	Sale Value	Lease Value
1928	1,120 acres (see text)	$5.00	$ .08 grazing
1959	1,120 acres	$16.00	.32 grazing
1965	1,120 acres	$16.000	.32 grazing
*1966	1,129 acres	$40.00	.32 grazing

APPRAISERS OPINION

LEGAL DESCRIPTION

The Southwest One-Quarter of the Southwest One-Quarter (SW 1/4 SW 1/4) of Section 25, The Southeast One-Quarter (SE 1/4) of Section 26, The East One-Half (E 1/2) of Section 35, All of Section 36 except The Southeast One-Quarter of the Southeast One-Quarter (SE 1/4 SE 1/4), estimated 1120 acres, All in Township 4 South, Range 72 West of the Sixth Principal Meridian, Clear Creek County and Jefferson County, Colorado.

LOCATION

About 6 miles northwesterly from Evergreen, north of Bear Creek and Bendenmeer Valley developments. Southwest corner near Witter Gulch.

About 2 miles west of State Highway 74 between Evergreen and Bergen Park.

ACCESS

There does not appear to be any legal public access to subject land.

There is a trail road from State Highway 74 about 2 miles east that enters the southeasterly part of land. This was locked and no entrance could be made at time of inspection.

Also this same trail road continues down through to Greystone Lodge south of subject. The entrance from the south was also locked.

A narrow dirt road (not accepted by Clear Creek County for maintenance and so posted) entering from State Highway 103, 4. 5 miles west of intersection with State Highway 74 at Evergreen, on which going northwesterly about 1. 7 mile the southwest corner of subject is a short distance to the right.

TERRAIN

Exceptionally rugged. From 8000 feet elevation to 9700 feet in less than 1 mile. Several peaks on and near subject. No stream except one intermittent stream diagonally across Section 36.

Eastern part of property lies in Jefferson County and westerly part in Clear Creek County.

There appears to be very little open area. Outcropping of barren rock frequent.

TRENDS

The area to south along Bear Creek and Bendenmeer Valley have been developing with home sites for many years. The area south around Greystone Lodge is now developing. These are much superior to subject.

Several developments along Bear Creek on State Highway 103 to Evergreen.

Denver Mountain Parks appears to own land abutting on the north and east, undeveloped.

ANALYSIS OF COMPARABLE SALES

Numerous sales in the area recorded for small plots of 1 acre more or less.

One sale of 80 acres to southwest about 2 miles directly across (map distance) also included 20 feet right of way access sold for $300.00 per acre. More open. Intermittent stream. Small parcel.

The most comparable, due also in size was a sale July 23, 1962. This comprised an estimated 2000 acres. Much superior in location, access, terrain, lower elevation and considerable open area.

Sale No. 3 is of recent date, better access, similar terrain. Appears 2 streams traverse property. Possible irrigation water available. Lower elevation.

Sale No. 4 is a large working ranch. Appears irrigation water included. East and southeast of Evergreen. Not as consolidated plattage as subject. Access through Stanley Park. More open area. May include other leased land.

CORRELATION

Due to size of area, 1120 acres, rugged terrain, no public access, lack of streams, several presumptions must be made to value subject.

It must be presumed that access can be purchased at a reasonable cost or will be furnished by seller at time of sale.

Recognition must be made that small portions may be suitable for minimum development at an early date subject to access. This does not, however, presume that such a large tract would all be immediate subdivision land.

FINAL ESTIMATE OF VALUE

Based upon the information contained in this report with particular emphasis on the market data, it is my opinion that the market value of subject property, as of July 1, 1966, is:

> $40.00 per acre or $44,800.00 for 1120 acres.

SUMMARY TABULATION OF COMPARABLE SALES

Sale No.	Date of Sale	Sale	No. of Acres	Unit Price	Comments
1	2/16/66	$24, 000. 00	80	$300. 00	Inc. 20' R. O. W.
2	7/23/62	$119, 750. 00	2000 (estimated)	$ 59. 88	Very good access. Note date.
3	4/15/66	$ 54, 500. 00	643	$ 84. 74	Better - possible irrigation water.
4	7/16/64	$118, 500. 00	1185	$100. 00	Inc. improvements, water for irrigation.

Douglas County - Section 16

Township 7 South

Range 66 West

The earliest written evidence of the income from this section is available in the form of an anecdotal notation written April 16, 1924. At that time, it was being leased to a Parker, Colorado, rancher for $.12 per acre. There was no indication of value for sales, only that he was paying $76.80 per year for rental. The first formal appraisal available took place in 1942. The following general statement was made:

> This is a fair tract of desert foothill grazing land owing to its location, probably a little more valuable than the average land of this character, and we should lease for $.12 per acre owing to the fact that it has a small spring on the north half and a small resevoir on the Southwest 1/4, containing water at present but possibly dry in extremely dry seasons. There are three or four other small resevoirs on this section which are useless since they would only accumulate water immediately following a deluge. One bad feature of this section is that a county road crosses it from NE to SW, leaving a little more than 1/2 of the area South of the road and there is no suitable place for an underpass.
>
> The land appraiser further placed the following values on the land:
>
> All section 16: grazing lease price $.12 per acre, sale price if sold, $7.00 per acre.
>
> He stipulated all or none was to be sold.

January of 1943, a sales application was filed against this section, and at that time, a sales price of $3.50 per acre was offered. However, the State Land Board Appraiser felt that the land should not sell for less than $7.00 per acre, and the sales application was canceled. No other evidence exists on this section until 1959. At that time the State Land Board Appraiser made a general description of the land and placed the following values on it:

> All 640 acres for grazing purposes; rental price per acre, \$.50; cash value per acre, \$25.00.

In 1964, the land was again appraised and valued as follows:

> All 640 acres; rental price for grazing purposes, \$.55 per acre; cash value per acre, \$25.00

The land is currently being leased for grazing purposes, and the \$.55 per acre figure is returning \$352.00 per year to the School Income Fund of the State of Colorado.

Table 10 recapitulates the values on Section 16 for a period of 42 years.

TABLE 10

Year	Plot	Sale Value	Lease Value
1924	Section 16	No estimate available	\$ .12 grazing
1942	Section 16	\$7.00 per acre	.12 grazing
1959	Section 16	\$25.00	.50 grazing
1964	Section 16	\$25.00	.55 grazing
*1966	Section 16	\$100.00	.55 grazing

APPRAISERS OPINION

LEGAL DESCRIPTION

Section 16, Township 7 South, Range 66 West of the Sixth Principal Meridian, Douglas County, Colorado.

LOCATION

12.5 miles northeast of Castle Rock or 4.5 miles north of Franktown on paved State Highway 83 and .7 mile west on a narrow dead-end gravel county road.

ACCESS

Public access to northeast section corner only. Previous county road across property has evidently been abandoned. Gates at northeast corner padlocked to trail of previous county road. No apparent public access from south, west or north.

TERRAIN

Rolling and somewhat rough. Spotted with scrub oak. Grazing land only. Sod. No evidence of water. It does not appear to be best grazing land. Sandy soil.

Arapahoe Canal traverses section from north to south in a very irregular pattern.

Scott Gulch crosses land from west center of section diagonally to northeast corner. At northeast corner gulch deep and cutting soil badly.

Appears fenced on north and east only.

Numerous adjacent properties to north and south irrigating meadows and hay land abutting Cherry Creek to Highway 83. Appears all are pump irrigation from wells or sumps.

ANALYSIS OF COMPARABLE SALES

Numerous sales have taken place in the area the past few years but contain three factors not present in subject:

1. Small tracts
2. Adjacency to Cherry Creek and irrigation water from wells.
3. Located in the pine forests for subdivision purposes.

There has been considerable speculative buying also.

Subject is considerably poorer in all respects relative to good prospects for subdivision, poor access, somewhat rough terrain, being broken up by apparently abandoned road, Scott Gulch and Arapahoe Canal. Currently highest and best use in grazing land.

Sale No. 2 about 1 mile north but has 80 acres irrigated land and a county road cutting through the land. Was a repurchase by previous seller at Sheriff's sale upon default.

Sale No. 3 has about two-thirds of land in dry farm use.

Sale No. 1 out because it is in pine forest area.

Sale No. 4 to owner of considerable land in area.

Sale No. 5 also has 78 acres of irrigated land along Cherry Creek and improvements. Probably includes well and irrigation pipe and sprinklers which could cost from $10,000.00 to $15,000.00

Informed sources state most grazing land being priced from $100.00 for poorest land on up with speculative prices from $350.00 to $500.00 asking price.

CORRELATION

Based on the current sales, inspection of the land and current market conditions, it appears subject would be well below the sales indicated up to one and two years ago.

It appears to be poorer land than typical in area.

FINAL ESTIMATE OF VALUE

Based upon the information contained in this report with particular emphasis on the market data, it is my opinion that the market value of subject property, as of July 1, 1966, is:

$100.00 per acre or $64,000.00 for 640 acres.

SUMMARY TABULATION OF COMPARABLE SALES

Sale No.	Date of Sale	Sale	Less Improve.	Net Land Sale	No. of Acres	Unit Price	Comments
1	2/4/66	$ 71, 500. 00	- 0 -	$ 71, 500. 00	160	$ 447. 00	Subdiv. forest land.
2	1/17/66	$ 96, 635. 32	- 0 -	$ 96, 635. 32	487. 19	$198. 30	Sheriff's sale. 80 acres irrigated.
3	11/17/66	$ 72, 000. 00	$9, 000. 00	$ 63, 000. 00	320	$196. 90	219 acres dry farm.
4	5/11/65	$ 60, 000. 00	- 0 -	$ 60, 000. 00	178	$337. 00	14 acres dry farm.
5	12/31/64	$200, 000. 00	$9, 000. 00	$191, 000. 00	544. 50	$351. 00	78 acres irrigated.

Elbert County - Section 16

Township 10 South

Range 62 West

The history of this particular section is a little more comprehensive than a number of the other sections that are included in this study. The reason for this being the extreme interest in good grazing section is this part of the country. In past years, this has been one of the excellent grazing sections held by the State Board of Land Commissioners. The first comprehensive and written record of appraisal appears in November of 1937. At that time the State Board of Land Commissioners Appraiser gave the following general statements and report:

> This is a good grazing section but too rolling and uneven for agricultural purposes. A small tributary of the Bijou enters the section some five rods North of the NW 1/4 corner, and leaves about eight to 10 rods East of the NW corner which furnishes stock water at all times except for freezing and extreme cold weather (sic).
>
> About 200 acres is covered with more or less scattering scrub pine timber suitable only for fuel, fence posts, and corral purposes. The land slopes both East and West from the North and South ridge passing through the entire section on which timber is located. The entire section is well set with a good native grass sod, owing to dry weather the grass is rather short this season.
>
> State Land Board Appraiser, 11/1937

The State Land Appraiser further stipulates that the following rates should apply to this section:

Plot	Grazing lease	Agricultural lease	Sale price
NE 1/4	$.12 / acre	$.50 / acre	$7.50
NW 1/4	$.12 / acre	$.50 / acre	$10.00
SW 1/4	$.12 / acre	$.50 / acre	$7.50
SE 1/4	$.12 / acre	$.50 / acre	$7.50

Again in 1941 the land was appraised by a different land appraiser with the following general statement:

> The land is rolling and there is considerable timber scattered over this section. Running water may be found along the West side of this section. It is covered with an exceptionally good turf of grass so there should always be a demand for this section for grazing purposes. Never allow anyone to farm it for it is especially adapted for grazing. In a contest recently held, this section (by compromise between two contestants) was leased to Jim Godard of (sic) a compromise rental basis of $.15 per acre per annum and is worth every cent of the amount he has to pay for it. I was informed that Godard intended to build considerable improvements on this section, consisting of a house, barn, sheds and other outbuildings together with corrals etc. To me this does not look like it would be advisable for this is pasture land and should always be kept for that purpose. To my way of thinking, we do not want a lot of improvements located on pasture land which is always hard to handle when the land is up for lease again.

This land appraiser further established the following rates: for all of section 16: grazing lease, $.15, recommended that no agricultural lease ever be granted and the sale price $12.50 if sold.

The next formal appraisal occurred in 1955. This section was again described, the description being the same as appeared in the earlier descriptions. However, the land now reflects the following rates: The whole 640 acres being involved in grazing, no agriculture being considered, the rental price per acre was stipulated to be $.33 per acre, the cash value per acre, $15.00 if sold.

In 1960, the following rates were quoted by the State Land Board Appraiser: the 640 acres, again only being used for grazing purposes: rental price, $.50 per acre, cash value per acre, $20.00 to $30.00. This appraisal by the State Land Board Appraiser appears to be too low for the following reasons:

At this time, an application for sale was filed against this section. The price offered was $20.00 per acre. However, on open bidding, the price exceeded $25.00 per acre for this section, whereby the persons who had made applications to buy this section quit the bidding and the sales application was canceled. It therefore appears that the land would have gone for considerably more than the $25.00 when the bidding was suspended.

Table 11 recapitulates values on Section 16 for a period of 29 years.

TABLE 11

Year	Plot	Sales Value	Lease Value
1937	NE 1/4	$ 7.50	$ .12
	NW 1/4	10.00	.12
	SW 1/4	7.50	.12
	SE 1/4	7.50	.12
1941	Section 16	$12.50	$ .15
1955	Section 16	$15.00	$ .33
1960	Section 16	$20.00 to $30	$ .50
*1966	Section 16	$35.00	

APPRAISERS OPINION

LEGAL DESCRIPTION

Section 16, Township 10 South, Range 62 West of the Sixth Principal Meridian, Elbert County, Colorado.

LOCATION

Approximately 10 miles east and 2 miles south of Elbert, a small town about 10 miles southwest of Kiowa, County seat of Elbert County.

ACCESS

Gravel county road on west side of section only.

TERRAIN

Somewhat rolling but has 2 or 3 large draws gradually rising from west to east which are good open grazing land. Sandy soil. Sod pasture. Appears to have been heavily grazed similar to other lands in area.

Middle Bijou Creek, as it is called, being a branch of and emptying into West Bijou Creek about 5 miles north of section, cuts across northwest one-quarter. Creek bed several feet below surrounding terrain with sheer banks in most places. Appeared dry except for small stream near mid north-southwest section line at bridge, evidently spring fed. No other water appears available. 2 windmills just north of north section line so perhaps well water would be obtainable.

Also a deep wash has been cutting from mid section area to northwest and entering creek at middle of west line near bridge. If left uncontrolled it will cause serious damage to land.

Several acres are covered in varying size groves of pines. Numerous pilings of tree limbs and trash from cutting some years back. Does not appear to be saw timber size.

Appears it could be a desirable grazing section if properly maintained and controlled relative to animal units permitted to graze. Wood lots open for grazing under trees. Fenced.

ANALYSIS OF COMPARABLE SALES

All comparable sales had a portion of the land in dry farm production. Subject has none, nor does there appear to be any suitable land for this purpose.

Sales Nos. 2, 4 and 7, all recent sales, appear more comparable except subject grazing land better than Sale No. 2. However, no dry farm.

By use of the weighted average and excluding Sale No. 3 due to its sub-irrigated hay land and quality of improvements and Sale No. 5 due to improvements for dairy farm operation, we find:

> Total sales $133,450.00 divided by 3560 acres
> equals $37.45 per acre.

CORRELATION

It appears that if subject had 15% to 25% dry farm land it would be valued at approximately $37.50 per acre. Since none is present, it would trend towards the lower such as is found in Sale No. 7 with a small percentage of dry farm to total acreage.

Also, subject does not appear to have water except small possible spring fed source, the dependability of which is considered to be uncertain.

FINAL ESTIMATE OF VALUE

Based upon the information contained in this report with particular emphasis on the market data, it is my opinion that the market value of subject property, as of July 1, 1966, is:

> $35.00 per acre or $22,400.00 for 640 acres.

SUMMARY TABULATION OF COMPARABLE SALES

Sale No.	Date of Sale	Sale	Less Improve.	Net Land Sale	No. of Acres	Unit Price	Comments
1	5/16/64	$15, 250. 00 (adjusted)	$2, 500. 00	$12, 750. 00	320	$40. 00	60 acres dry farm. Subject better grazing.
2	5/25/66	$16, 000. 00	$1, 300. 00	$14, 700. 00	400	$37. 00	100 acres dry farm. Subject better grazing.
3	5/11/66	$48, 000. 00	$7, 500. 00	$40, 500. 00	600	$67. 50	155 acres dry farm. Better - some sub-irrigated hay land. Well improved.
4	4/16/65	$25, 500. 00	$3, 500. 00	$22, 000. 00	480	$46. 00	90 acres dry farm. Comparable except no dry farm on subject.
5	1/5/66	$40, 000. 00	$8, 000. 00	$32, 000. 00	560	$57. 00	Purchase 1/10/65 on contract. Cash paid and deed issued 1/5/66. Well improved dairy farm.
6	9/30/64	$63, 000. 00	$3, 000. 00	$60, 000. 00	1720	$35. 75	155 acres dry farm. Note date and size. Poor improvements.
7	3/11/66	$32, 000. 00	$8, 000. 00	$24, 000. 00	640	$37. 50	Owner T. P. $35, 000. 00, Mtgee. $32, 700. 00. Rev. $35. 20. 180 acres dry farm.

El Paso County - Section 16

Township 12 South

Range 65 West

This section is a short distance from Colorado Springs, Colorado, situated near the United States Air Force Academy. It is known as the Black Forest area.

The history of this section is vague. Few records are available concerning lease and sales value. However, in view of the fact that this area is growing rapidly in terms of population, there has been considerable interest in this section very recently.

The first formal appraisal on record was made in September of 1943. The State Land Board Appraiser made the following report:

> This section is pretty well covered with yellow pine but nearly all the merchantable timber has recently been cut off and marketed.
>
> There are numerous tops and limbs suitable for fuel. It is an excellent grazing section having a good growth of native grass even in the timber except in a very few places. Some 25 or 30 acres, mostly in the SE 1/4 of SW 1/4 is being farmed and a few spots of an acre or two here and there produce native hay. It would be difficult to estimate the amount of hay land and doubtless it would vary from year to year. Much more hay could be cut with a very little clearing and smoothing the land (sic).
>
> There is a graded road in the South, East and North sides and also on the West side of NW 1/4.

In addition to this general statement, the appraiser added these values:

Plot	Sale Price	Grazing lease	Agriculture lease
NE 1/4	$10.00	$.10	$ .50
NW 1/4	$10.00	$.10	$ .50
SW 1/4	$10.00	$.10	$ .50
SE 1/4	$10.00	$.10	$ .50

In addition the appraiser noted $305.00 in improvements, mostly in fences and a small bunkhouse.

There has been no formal appraisal between the years 1943 and 1965. There are however, two sales applications put against this section which indicates its value.

In 1946 application for sale was made on this section and at that time 40 acres were being leased for farming purposes at $.50 per acre. The other 600 acres were being leased for grazing at $.10 per acre. Also 390,000 feet of mature timber was removed from this section but the price for this timber is unavailable. The sales application did not carry a price but through gleaning notes and unofficial comments in the file it is believed to have been $12.00 per acre.

This sales application was canceled by the Board on recommendation of the appraiser. His statement follows:

> It is a rather desireable tract of land located near the Black Forest Community Center and I do not think it is adviseable to sell at this time as it will no doubt become more valuable as the country surrounding it becomes more settled.

The only other record of appraisal appears in July of 1964. At that time the appraiser made the following general statements but did not put a value on the land:

> This section no doubt has a potential value for homesites in the future. I noticed West of Black Forest there had been considerable land subdivided but I didn't notice very many expensive homes. I hesitate to say what its value would be at this time.

> Mr. Hardin, the present lessee, said he had had offers on his land across the road East from this lease, for less than $300.00 per acre but not too much down (sic) as land is going up each year he said he is in no hurry to sell.

In 1965 an application for sale was filed against this section for $100.00 per acre. A construction firm from Colorado Springs made this offer for the stated purpose of "investment". This application was rejected by the State Board of Land Commissioners in February, 1965.

The section is currently being leased for grazing purposes at $.30 per acre.

Table 12 recapitulates the values on Section 16 for a period of 23 years.

TABLE 12

Year	Plot	Sales Value	Lease Value
1943	Section 16	$ 10.00 per acre	$ .10 grazing .50 agriculture
1946	Section 16	12.00	.10 grazing .50 agriculture
1964	Section 16	no reliable estimate	.30 grazing
1965	Section 16	a $100.00 per acre	.30 grazing
*1966	Section 16	Excess of $125.00 (see text)	

a - based on rejected sales application.

APPRAISERS OPINION

LEGAL DESCRIPTION

Section 16, Township 12 South, Range 65 West of the Sixth Principal Meridian, El Paso County, Colorado.

LOCATION

In the area northerly from Colorado Springs known as Black Forest. Approximately 10 miles north and 7 miles east of Colorado Springs on Highways 83, 90 and 80.

ACCESS

Asphalt paved Burgess Road to 1 mile west of subject, then gravel on South, gravel road on west, gravel Shoup Road on north and gravel Vollmer Road on east. Roads recently cut, widened, and graveled.

TREND

The trend in area from visual inspection and examination of the public records indicates a strong phase of development into tracts varying in size from 1.5 acre to 20 acres.

Development of this type is taking place on all sides of subject property. Many new residence type properties have been built in recent years and at the present time new homes were in evidence, estimated in $20,000.00 to $35,000.00 range.

SUBJECT

Typical of area. Gently rolling terrain with most undulations gradual. Few low drainage areas.

Covered with lodge pole Pine of insufficient size for any productive saw timber.

Native grass cover suitable for grazing in wooded areas to a limited extent. In the southeast one-quarter there is an open pasture or meadow. Possible cutting of a limited amount of native hay during good years of moisture.

There appears to be a right of way for an electrical highline along eastern section line from north to south.

A trail road bisects the section, running from north to southwest of the mid section line. Some cutting of trees was in progress at the north end.

Colorado Interstate Gas Company had a chain link fenced enclosure along south line in southwest quarter for a meter station. It is not known whether this has been sold together with a right of way across the section or easements granted.

Appears to have spring in northeast quarter.

ANALYSIS OF COMPARABLE SALES

Sales of land in area are of comparable type to subject. Note numerous small parcels sold at higher prices per unit. Some of these already developed with substantial, good quality homes.

Sales Nos. 4, 5 and 11 are only parcels of substantial size.
Sale No. 4 is one-half mile north of northeast section corner.
Sale No. 5 is across to north from northwest section corner and
Sale No. 11 is 1 1/2 miles east on dead end road and one-half mile north with trail access.

It is difficult to allocate out improvements on Sale No. 4 since they were assessed with others as a part of a large ranch. It is also presumed the existing lien balance was assumed. Also the sale includes water and water rights, etc., and a reservation to grantors across the land.

Sale No. 11 could be obsolete because of date due to current activity.

CONCLUSION

After a review of the activity in the area and inspection of subject property, it is my opinion that this property cannot be adequately valued in this manner and only an appraisal in depth will reveal its full potential market value.

It appears that its current value would be in excess of $125.00 per acre.

An examination of the title would reveal the land available for sale and/or rights of way or easements granted through or along its section lines which could affect its value and potential use.

It appears that the present highest and best use is to allow the land to remain under a grazing lease until properly appraised for eventual development into tract home sites.

SUMMARY TABULATION OF COMPARABLE SALES

Sale No.	Date of Sale	Sale	Less Improve.	Net Land Sale	No. of Acres	Unit Price
1	6/17/66	$ 1,500.00	- 0 -	$ 1,500.00	3	$500.00
2	5/5/66	$ 9,000.00	- 0 -	$ 9,000.00	10 +ROW	$900.00 (inc. ROW)
3	2/15/66	$ 5,000.00	- 0 -	$ 5,000.00	15	$333.33
4	1/1/66	$51,700.00	$6,000.00 (estimated)	$45,700.00 (estimated)	160	$283.00
5	8/2/65	$10,000.00	- 0 -	$10,000.00	80	$125.00
6	2/3/65	$ 5,000.00	- 0 -	$ 5,000.00	10	$500.00
7	5/1/65	$ 5,500.00	- 0 -	$ 5,500.00	6.89	$800.00
8	9/1/65	$ 1,500.00	- 0 -	$ 1,500.00	1.52	$1000.00
9	10/15/65	$13,000.00	- 0 -	$13,000.00	20	$ 650.00
10	10/14/65	$14,000.00	- 0 -	$13,200.00	19.54	$ 675.00
11	4/11/64	$35,500.00	- 0 -	$35,500.00	320.5	$110.45

El Paso County - Sections 13-14-15-16

Township 14 South

Range 62 West

These sections were selected to show the particular problem of "lieu lands" that are parts of large ranch holdings. These sections also illustrate why it would be desirable to have someone interested in public schools and permanent school funds to act in behalf of the schools' interest.

The first appraisal of this land was made in October of 1919. At that time a general description of the land was made and the leasing and sales prices were established. All the sections were being used for grazing and dry land farming purposes. The following description was made for all four of these sections:

> This section is high and somewhat rolling. The soil is a deep sandy loam and it is practically all tillable and well adapted to dry farming purposes.

October 22, 1919

Year	Plot	Sales Price	Lease Price
1919	Section 13	$20.00	Grazing $.10 Agr. $.50
1919	Section 14	$20.00	Grazing $.10 Agr. $.50
1919	Section 15	$22.50	Grazing $.10 Agr. $.50
1919	NW 1/4 Sec. 16	$15.00	Grazing $.12 Agr. $.50
1919	E 1/2	$18.00	Grazing $.12 Agr. $.50

Little is available to show the appraised value of this land between 1919 and 1960. However, in 1933, a sale of 166 acres was made from section 16. This sale was $5.00 per acre for 160 acres and reflects the depression years' land value. A total of $800.00 was added to the Permanent School Funds of the State.

* In 1960 these four sections were evaluated as follows:

Year	Plot	Sales Price	Lease Price
1960	Section 13	not available	Grazing $.45
1960	Section 14	not available	Grazing $.45
1960	Section 15	not available	Grazing $.45
1960	N 1/2 of SE 1/4 Sec. 16	not available	Grazing $.45

There is no reference made to agricultural leases at this time.

* In 1950 a sales application was filed against section 15 and the remaining portion of 16. The sales price offered by the bidder was $10.00 per acre. The land was being leased at $.14 per acre at that time. The board rejected this sales application for the stated reason that they did not wish to "break up this desirable block of state land."

It was mentioned previously that these sections well illustrate why it may be desirable to have someone on the State Board of Land Commissioners with an interest of the public school in mind.

In 1960, the current lessee was advised that a six year lease had been granted to him at a rate of $.45 per acre. However, on February 8, 1960, a conflicting bid of $.90 per acre was lodged against section 15 and 16 of this block. He was advised that he must meet the competitive bid of $.90 within 10 days or turn over this lease to the conflicting bidder.

The records indicate that the lessee had his over-all lease adjusted on 2,400 acres for $.66 per acre which would meet the total income on the land. The Board order reads as follows:

> Cancel conflicting lease application 59/484A submitted by Wayne E. Booker on all of Section 15, Township 14 South, Range 62 West and the N 1/2 and SE 1/4 of Section 16, Township 14 South, Range 62 West, held by Hubert Keeney under expiring lease S-28624, as lessee has met the offer of $.90 per acre and will keep his lease on this 1,120 acres.

A new six year lease was granted to Mr. Keeney at $.66 per acre. In the notice sent to Mr. Keeney, the following statement was made:

> These rental rates will apply for the full six year term of the lease.

This was dated March 16, 1960. In October of 1963, the lessee asked that this six year lease be canceled as of April 1, 1964, for the stated reason that he wanted to apply for a new 10 year lease. A part of the reason that this new lease was requested may be found in the following letter written by the President of the State Board of Land Commissioners. It is stated as follows:

> Office Files
> A. M. Ramsey, President
> Lease No. S-31277
>
> Lease No. S-31277, held by Mr. Hubert Keeney, in El Paso County is up for renewal. The last rate was $.45 per acre; but when it was issued, there was a contesting application of $.90 per acre on one section. The board asked Mr. Keeney to meet this bid, which he did, and this made the lease average $.66 per acre. Mr. Barton inspected the land this week, and he is recommending a rate for the new lease of $.55. This lease was canceled out by request and reposted for a new lease two years prior to it expiration. It is agreed that they will have to pay the $.66 rate for two years so that the Board would not lose any money by terminating the lease prior to expiration date.
>
> I believe, however, the $.55 rate is out of line for the following reason: In 1922, we renewed leases in El Paso County on 18,527.94 acres at an average of $.38. In 1963, we renewed leases at an average of $.39.2 per acre. In 1964, we have so far issued new leases for 18,454.06

> acres at $.32. At no time during the past two and one-half years has there been a lease that paid a rate as high as $.50 per acre, except one in January, 1963, which rate was $.50. In other words, the rate recommended on the new lease would be a good deal higher than the average for the county for the last two and one-half years. (I did not check back of January, 1962, but am sure the average would have been lower because the records show that rents collected on all leases in El Paso County for 1962 but new and previously issued leases showed an average of $.34.1.)
>
> Furthermore, I inspected this land personally two or three years ago in connection with a possible sale, and I was convinced at that time that it was a mistake to recognize the contesting application that was put against this lease when it was issued, because the land contested contained the best water and corrals that the lease had. I, therefore, feel the lessee has really been penalized $.21 per acre or almost 50% for the last few years, and I do not feel that this new rate should be higher than any other lease in the county, as it is not that much - if any - better than average. I, therefore, recommend that the new rate be not higher than $.50. In fact, if it was (sic) left to me, I would renew it at the old rate of $.45.
>
> A. M. Ramsey, President.

The new lease was granted for a 10 year term from April 1, 1964 to April 1, 1974, at $.66 per acre for two years and the remaining eight years at $.45 per acre.

Apparently, the consideration in this lease procedure was not what the rancher would pay, but rather what the President of the State Board of Land Commissioners thought he should pay. The President ignored the appraiser's estimate and arbitrarily arrived at the $.45 figure when there was evidence to indicate that the lessee was willing to pay more. No further reference was made to the conflicting bid and no record is available on any deliberations concerning the willingness of another rancher to pay $.90 per acre for 1,120 in this lease.

It is also apparent that there is an absence of specific criteria on leasing procedure in this lease. The only criteria available here is the average lease in El Paso County and each specific plot is not evaluated.

The evaluation and appraisal that is mentioned in the memorandum just quoted was made by the State Land Board Appraiser on February 27, 1964. The following values were quoted: Grazing Lease, $.55, cash value per acre, $16.00.

The leased sections are now returning $1,080.00 to the School Income Fund. Last year these sections returned $1,584 which reflects the $.66 lease price. The $1,080 reflects the return to the old lease price set in 1960 of $.45.

As is the case with most of the sections in this study, few records are available prior to the late 1950's or 1960's.

Table 13 recapitulates the values and Section 13, 14, 15, 16 for a period of 47 years.

TABLE 13

Year	Plot	Sale Value	Lease Value
1919	Section 13	$20.00	$.50 agriculture .10 grazing
	Section 14	20.00	.50 agriculture .10 grazing
	Section 15	22.50	.50 agriculture .10 grazing
	NW 1/4 section 16	15.00	.50 agriculture .10 grazing
	E 1/2 section 16	18.00	.50 agriculture .10 grazing
1933	160 acres (see text)	5.00	
1960	no estimate available		.45 grazing
*1966	Section 13	$37.50	(see text)
	Section 14	37.50	
	Section 15	37.50	
	NW 1/4 Section 16	37.50	
	E 1/2 Section 16	37.50	

APPRAISERS OPINION

LEGAL DESCRIPTION

Sections 13, 14, 15 and 16, Township 14 South, Range 62 West of the Sixth Principal Meridian except the Southwest Quarter (SW 1/4), S. 16, El Paso County, Colorado.

LOCATION

Approximately 2 miles east on paved State Highway 94 of Ellicott, Colorado, which is about 17 miles east of Colorado Springs.

ACCESS

North section lines front on paved State Highway 94. Gravel county road on west and south. No access from east.

Pasture trail road on line between Sections 13 and 14.

TERRAIN

Typical rolling grazing land found in much of the area surrounding some of which in area is more level and converted to dry farm operation.

Good 5 strand barbed wire fence along north section line. Most of the rest fanced with 4 strand except south line of Section 13 is 5 strand. Appears in good condition.

Sections 13 and 14 fenced as one unit.

Appears to be above average grazing land of native grass. Dark sandy soil. Well taken care of in past with shallow furrow ditches following terrain cut in to hold moisture and prevent runoff.

There was noted a windmill and stock tanks in the northwest one-quarter of Section 13, northwest one-quarter of Section 14, southwest one-quarter of Section 14, and southwest one-quarter of Section 13.

Corrals and loading shute in northwest corner of Section 16 appeared in good condition.

Spring Creek crosses the center of Section 16 from north to south. Created some gully. Small stream of water observed.

ANALYSIS OF COMPARABLE SALES

Most sales were on lands in relative close proximity to subject and usually contained improvements and land usage of 15% to 20% dry farm and balance grazing.

Most also had branches of various creeks cutting through land similar to subject.

By use of the weighted average and deleting Sales Nos. 1, 4 and 8 due to obvious out of pattern unit sales we find:

> Total sales $203, 800.00 divided by 50. 87
> acres equals $40.06 per unit, say $40.00.

Most comparables do not have as desirable access as subject, however they do have land suitable for dry farm crops. Also, they include improvements which were abstracted from the sale by use of assessed value data.

Also it should be noted that typically as the land area increases the unit price decreases.

Sale No. 3 is most comparable to subject in size but has 489 acres assessed as dry farm.

Subject grazing land appeared better than typical comparables.

CORRELATION

The weighted average indicates $40.00 per acre for subject. Recent sales of large parcels indicate $37.00 to $38.50 for subject. Consideration must be given that subject does not have dry farm land usage. If sold by the section it may be possible to develop a higher value per unit, especially those with water.

FINAL ESTIMATE OF VALUE

Based upon the information contained in this report with particular emphasis on the market data, it is my opinion that the market value of subject property, as of July 1, 1966, is:

> $37.50 per acre for 2400 acres equals $90,000.00
> as one parcel.

SUMMARY TABULATION OF COMPARABLE SALES

Sale No.	Date of Sale	Sale	Less Improve.	Net Land Sale	No of Acres	Unit Price
1	2/11/66	$ 96, 500. 00	$5, 500. 00	$ 91, 500. 00	1284. 70	$ 71. 20
2	3/31/65	$ 24, 000. 00	$4, 500. 00	$ 19, 500. 00	645. 44	$ 30. 23
3	3/15/66	$100, 000. 00	$6, 000. 00	$ 94, 000. 00	2446. 22	$ 38. 43
4	2/14/66	$ 20, 000. 00	- 0 -	$ 20, 000. 00	274. 76	$ 72. 70
5	12/8/65	$ 33, 500. 00	$8, 000. 00	$ 25, 500. 00	471. 26	$ 54. 10
6	6/30/64	$ 36, 000. 00	$5, 500. 00	$ 30, 500. 00	599	$ 50. 92
7	1/23/64	$ 42, 000. 00	$7, 700. 00	$ 34, 300. 00	925	$ 37. 08
8	7/15/63	$ 10, 800. 00	$7, 300. 00	$ 3, 500. 00	150	$ 23. 33

Gilpin County - Section 16
Township 3 South
Range 72 West

The history of the section is rather sketchy. It is located near the small resort town of Blackhawk, Colorado. The first record available in the appraisal file at the State Board of Land Commissioners was made in 1917. At that time a general statement about this section was made. It is as follows:

> The Northwest 1/4 is all on mountain side with poor growth of grass and very rocky. The Southwest 1/4 has some fair grass and a few scattering quakers. The Southeast 1/4 has about 15 acres of plowed land but very poor gravelly soil not capable of much of a crop.

The grazing lease was listed at $.08, no agricultural lease was listed. For sales purposes, a value of $6.00 per acre was quoted.

The writer can find no other record of appraisal until 1955. At that time the following general statement was made:

> This section is in the mountains, has a creek that runs all the way from North to South, has water the year round, most years (sic). Last Fall was dry except for two springs. There are (sic) quite a bit of pine on the North slopes. Most of the South slopes are pretty open. Up on the East side there are some old fields that were farmed years ago. Mr. Green said that he had planted brome and wheat grass on them, but did not get much on account of the dry years. If it ever starts raining he will try it again. Mr. Green owns land on three sides of this section and his father owns the land on the other. There is a fence on the East and one-half mile on the North.

The following values were placed: 640 acres, $.18 lease price for grazing, if sold, price per acre, $7.50.

In 1960 the same land board appraiser made the following appraisal and placed the following value on this land: The whole section for grazing, the rental price, $.28 per acre, cash value per acre if sold for $15.00. Also this land board appraiser amended his general statement by saying that this land has a potential value as homesites due to its location.

The land is currently being leased for grazing purposes and the rental rate on this land is $.28 per acre. This returns $179.20 per year to the School Income Fund of the State of Colorado.

Table 14 recapitulates values on Section 16 for a period of 49 years.

TABLE 14

Year	Plot	Sale Value	Lease Value
1917	Section 16	$6.00	$.08
1955	Section 16	$7.50	$.18
1960	Section 16	$15.00	$.28
*1966	Section 16	$50.00	-

* Independent appraisers value estimate

APPRAISERS OPINION

LEGAL DESCRIPTION

Section 16, Township 3 South, Range 72 West of the Sixth Principal Meridian, Gilpin County, Colorado.

LOCATION

Approximately 2.5 miles southeast of BlackHawk, Colorado, off Colorado Highway 119 on Smith Hill Road.

ACCESS

Smith Hill Road is a narrow gravel road traversing subject land approximately southwest to northeast along Smith Hill Gulch. It continues on about 1 mile northeast to trail roads for access to ranch land south of Ralston Creek.

TERRAIN

The north side of Smith Hill Road, approximately northwest one-half of the section is very steep and only partly covered with trees and various types of undergrowth. Rock outcroping is prevalent, very rocky.

The southeast one-half of the section is likewise steep but more densely covered with Aspen, Pine and Fir. Very little, if any, land is suitable for grazing or pasture. The gulch was dry.

The trees are not suitable for saw timber and access for removal would be extremely difficult.

The open land shown on map consists primarily of rock with a sparse cover of undergrowth brush.

TRENDS

There has not been any development for home or cabin sites in this area due to terrain, and lack of stream or lake.

It would seem that subject land would be classified as marginal grazing land. In years with sufficient rainfall, a portion, estimated to be one-third to one-half, would sustain a few animals for short periods in the spring and possibly early fall.

Another trend is the purchase of certain lands by the State of Colorado Game, Fish and Park's Commission for recreational land.

ANALYSIS OF COMPARABLE SALES

Sale No. 1. Approximately 640 to 650 acres sold April 15, 1966, south east of subject. Clear Creek traverses the southwest part of the land as does Highway 119. There also appears to be 2 streams which traverse the property, each from north to south. There could be some irrigation water available since the deed transfers all water, ditch rights, etc. The land is about 500 to 1000 feet lower in elevation. Sale $54,500.00 or approximately $84.00 to $85.00 per acre.

Sale No. 2. Approximately 560 acres north of subject sold to State of Colorado Game, Fish and Parks Commission for $92,000.00 or $164.00 an acre. A county road traverses this property from west to east at approximately midpoint. It is higher and more densely wooded. Abuts area subdivided into home and cabin sites. Deed recorded August 13, 1965.

Sale No. 3. It was reported that the west one-half of northwest one-quarter, Section 27, Township 2 South, Range 72 West sold recently to the State of Colorado Game, Fish and Parks Commission. 80 acres for $9500.00 equal $118.75 per acre. Does not appear to have access. High intermittent stream diagonally across.

Sale No. 4. 80 acres in Section 11, Township 2 South, Range 72 West on Deer Creek. Sold $9,000.00 or $112.50 per acre. Assessed $6.00 an acre.

Several smaller parcels from 1 acre to 5 acres have sold in desirable locations from $300.00 to $500.00 per acre. They are not comparable to subject due to size.

Most of this land assessed from $3.00 to $6.00 per acre, valued then from $10.00 to $20.00 per acre.

CORRELATION

The most comparable property to subject is that of No. 1. It is only about 3 miles southeast of subject, comparable in size. However, it is not known what water rights it contains or the stream flow from those indicated on the map. It is estimated that subject would be valued somewhat less.

FINAL ESTIMATE OF VALUE

Based upon the information contained in this report with particular emphasis on the market data, it is my opinion that the market value of subject property, as of July 1, 1966, is:

$50.00 per acre or $32,000.00 for 640 acres.

SUMMARY TABULATION OF COMPARABLE SALES

Sale No.	Date of Sale	Sale	No. of Acres	Sale Per Unit
1	4/15/66	$54, 500.00	643	$ 84.74
2	8/13/65	$92, 000.00	560	$164.00
3	Reported Sale	$ 9, 500.00	80	$118.75
4	12/30/65	$ 9, 000.00	80	$112.50

Jefferson County - Section 16

Township 6 South

Range 71 West

This section has a stormy history of court actions, illegal activities having taken place on the land and varying appraisals of value.

The first formal appraisal on record at the Land Board was in October of 1926. At that time this section was appraised as follows:

> This tract of land is located from one and one half to two miles off the Denver South Park Highway about three miles Southeast of Conifer Post Office in Jefferson County. There is considerable yellow pine and red spruce timber mostly on the E 1/2, but would be pretty hard to get out on account of the roughness of the country. There is no tillable land on the East-half, but eight or 10 and possibly 12 acres could be farmed on the W 1/2, mostly in N 1/2 of SW 1/4.
>
> There are three good springs on the NW 1/4, but none on other parts of the section. The section is intersected by ridges and canons (sic) in such a manner that each quarter is quite isolated from the other. The grazing is very poor, but about one-half would be fairly good if properly handled. It has been pastured very close from the time the snow leaves in the spring until it is covered again in the fall.
>
> I believe it is best to sell all or none of this section, and in any event the SE 1/4 of SW 1/4 should be sold with the N 1/2 of SW 1/4.

October 26, 1926 A. E. Williams, appraiser

Plot	Sale Price	Lease Price
NE 1/4	$15.00 per acre	$.06 per acre
NW 1/4	$15.00 per acre	$.06 per acre
N 1/2 SW 1/4	$15.00 per acre	$.06 per acre
SE 1/4 SW 1/4	$15.00 per acre	$.06 per acre
N 1/2 SE 1/4	$15.00 per acre	$.06 per acre

In January of 1930 the land was again appraised and the sale price was reduced as follows:

NE 1/4	Sale price	$10.00
NW 1/4	Sale price	$10.00
SW 1/4	Sale price	$10.00
SE 1/4	Sale price	$10.00

This apparently was due to the economic problems in the early thirties, but there is no official statement or confirmation of this point.

With this reduction in sales price, the appraiser made the following observation:

> The timber on the East-half of this section is mostly rather small for saw-mill timber, but of excellent size and quality for railroad ties and mine props.
>
> It is comparatively young and vigerous (sic) growth and it might be well to hold the East-half on account of the timber.
>
> I learned that some parties other than the one who make (sic) application to buy the NW 1/4 and N 1/2 of SW 1/2 will probably bid on the land, especially if it is all sold, on account of the timber on the East-half. In such case they should be required to pay in full as the land is worthless without the timber.

A. E. Williams

The sales application of which the appraiser speaks was not in the records and no final disposition of action was found.

In 1937, the State of Colorado initiated action in the District Court to settle a disputed boundry between lands owned by LeOra Orr and the State. This apparently was brought about by a failure of the original surveyor to run out section boundries. Evidence to support this is found in the Court record, which states:

> The conclusion is inevitable that the deputy failed to run out many of the section boundries, left many corners unmonumented, and in his hurried and fragmentary survey did not always arrive at harmonious corner positions.[1]

The court records were investigated and the major concern to this section is that the 640 acres were reduced to 562.24 by order of the Court.

Evidence of visitation and appraisal is lacking between the Court case in 1937 and 1955. However, the value can be somewhat analyzed by investigating sales applications made during this period.

In 1937 the State Board of Land Commissioners advised a prospective buyer of the following valuation of the property.

NE 1/4	$10.00 per acre
NW 1/4	$11.00 per acre
S 1/2 NW 1/4	$11.00 per acre
SE 1/4	$13.00 per acre

This sales application was canceled 12-2-37.

In 1947 the State Forester wrote to the State Board of Land Commissioners and advised that the section should be valued from $15.00 to $20.00 per acre. This same year a sales application for the land was rejected at $3.00 per acre. A similar sales application was rejected in 1949 for $20.00 per acre for this section with the explanation that "the Board will evantually sub-divide this section for summer home sites". This is the first time that this type of action has been mentioned by the State Board of Land Commissioners.

In 1955 the first appraisal was made and the following values given:

---

[1] Case No. 3127 in the District Court, 1st. Judicial District, State of Colorado, County of Jefferson.

> This 456. 33*A. is very rough and has pine trees on most of it. There is (sic) about 15 acres along the creek that is called agriculture land. It has been farmed, but is in hay meadow now.
>
> There is a creek that runs across the South 1/2 of the North 1/2 that runs water most of the time.
>
> The mountain is covered with trees, but not developed enough for much saw timber yet.

	Rental per acre	Cash value per acre
15 acres	$ 1.50	$ 18.00
441. 33*	.18	9.00

*There appears to be no explanation as to why this particular figure is used. There is a special residential lease on this section which is discussed later in this text. However, these figures do not add up to the figures on record.

In 1960 the State Land Board appraiser briefly described the nature of the land as above and readjusted the values as follows:

	Rental price	Cash value per acre
15 acres	$ 1.50	$ 30.00
511. 84 acres	. 25	15.00

This appraiser also mentioned that this land has a potential for subdivision.

In 1962 this section again became the center of a controversy that as of this writing is still unresolved.

The President of the State Board of Land Commissioners was notified on October 11, 1962, that a Mr. Buckner was building a road across State-owned Section 16, Township 6 South, Range 71 West.

On June 21, 1963, Mr. Harris was notified that on payment of $15.50 and written evidence that the County of Jefferson accepts the right of way, the proper forms would be signed. However, payment was never made and the county has never accepted the road. Therefore, on May 13, 1965, the State Board of Land Commissioners gave notice to cease any and all activities on the section with the warning that the State of Colorado would take any legal steps necessary to prevent such actions. Copies were sent to the Attorney General and the Sheriff of Jefferson County. Also, five neighbors in the area are suing Mr. Buckner for $70,000 in damages for "created a public nuisance by bulldozing school land". As of this writing all litigation is pending.

In July, following the order by the State Land Board to cease activities, Mr. Buckner filed an application for sale against a portion of this section involving the road. At that time he offered $50.00 per acre for 80 acres in the W 1/2 SW 1/4. The State Land Board appraiser felt that $50.00 per acre was a fair price to start the bidding. However, Mr. Buckner did not pursue the matter further and the sale application was canceled on 11-5-65.

The State Board appraiser in his latest statement feels that "$50.00 per acre . . . , is a fair starting price. It should bring a much better price, I feel sure, if it were sold in small parcels, as part is ideal for homesites and eventually it would help sell more of the rough land on the south side of the lease."

Table 15 shows the recapitulation of the values of this section for a period of 40 years.

TABLE 15

Year	Plot	Sale Price	Lease Price
1926	NE 1/4	$15.00 per acre	$ .06 per acre
	NW 1/4	15.00 per acre	.06 per acre
	N 1/2 SW 1/4	15.00 per acre	.06 per acre
	SE 1/4 SW 1/4	15.00 per acre	.06 per acre
	N 1/2 SE 1/4	15.00 per acre	.06 per acre
1930	NE 1/4	10.00 per acre	Not available
	NW 1/4	10.00 per acre	
	SW 1/4	10.00 per acre	
	SE 1/4	10.00 per acre	
1937	NE 1/4	10.00 per acre	.09 per acre
	NW 1/4	11.00 per acre	.09 per acre
	S 1/2 NW 1/2	11.00 per acre	.09 per acre
	SE 1/4	13.00 per acre	.09 per acre
1947	All	$15.00 to 20.00 per acre	Not available
1955	15 acres	18.00 per acre	$ 1.50 per acre
	441.33	9.00 per acre	.18 per acre
1960	15 acres	30.00 per acre	$ 1.50 per acre
	511.84	15.00 per acre	.25 per acre
1965	All	50.00 per acre	.25 per acre
*1966	All	$150.00	

APPRAISERS OPINION

LEGAL DESCRIPTION

Section 16, Township 6 South, Range 71 West of the Sixth Principal Meridian, Jefferson County, Colorado. (Understood to be 562.24 acres.)

LOCATION

Approximately 1 1/4 miles north of Conifer on State Highway 73, thence left on what is now known as Black Mountain Road approximately 1.7 miles to the east section line.

ACCESS

State Highway 73 is an asphalt paved road. Black Mountain Road is a narrow winding gravel road following North Turkey Creek. The county road enters subject land at approximately mid point on the east section line and runs diagonally northwest to the northwest section corner.

The southern part of the section has access from a gravel road and trail road, part of which is understood to be in dispute.

TERRAIN

The general terrain is steep from road up both sides. It is heavily wooded but very little saw timber. Access would be difficult for hauling out. The low area along road is at elevation of 8400 feet rising to 8850 feet on the north northeast and to 9245 feet in the southwest.

A portion of the land would be suitable for cabin sites - particularly on the south side of the county road and south of the creek; in some instances on the north side. Small portion is in meadow and 2 small ponds have been created.

There are numerous cabins along the creek on the road from Highway 73 to subject property indicating that this similar portion of land could be developed in somewhat the same manner. Subject typical of area.

TREND

A great deal of land in the area is being, has been subdivided, or is being held for development into home and cabin sites. The rest of the area is typically held in larger ranches and portions of the land suitable is used for spring and fall grazing.

ANALYSIS OF COMPARABLE SALES

One of the most comparable properties is Sale No. 1 which adjoins subject on the south section line of the southeast one-quarter. The terrain is similar but does not have as good access. This land sold for $125.00 an acre in December, 1964.

Sale No. 4 is currently listed for sale at $150.00 per acre for 240 acres. Part of this property adjoins subject on the west. Difficult access and no stream. Agent thinks $100.00 - $125.00 per acre will be eventual sale.

Sale No. 5 is a working ranch of 2300 acres listed for $820,000.00 or $355.00+ per acre. In an estate. Comprises several parcels in varying locations.

Sale No. 2 comprised a ranch of 1185 acres in varying parts of sections to the northeast. Sold 1964. Appears to have sold for $100.00 per acre.

Most at similar altitude and type of terrain.

CORRELATION

Subject is more desirable because of identity of location, good access, some open land suitable for development with minimum of expense, and a stream which apparently flows during the summer months.

It is noted that as the size of tract increases, the price paid per unit decreases except, however, in working ranch sales, there are also additional considerations relative to irrigation water, improvements and leases on government land which influence the unit price.

FINAL ESTIMATE OF VALUE

Based upon the information contained in this report with particular emphasis on the market data, it is my opinion that the market value of subject property, as of July 1, 1966, is:

$150.00 per acre or $84,336.00, say
$84,500.00, for 562.24 acres.

SUMMARY TABULATION OF COMPARABLE SALES

Sale No.	Date of Sale	Sale	Less Improve.	Net Land Sale	No. of Acres	Unit Price
1	12/23/64	$ 20, 000. 00	- 0 -	$ 20, 000. 00	160	$125. 00
2	7/16/64	$118, 500. 00	Not evaluated	$118, 500. 00	1185	$100. 00
3	4/15/66	$ 25, 000. 00	$15, 000. 00 (estimated)	$ 10, 000. 00	40 (estimated)	$250. 00 (estimated)
List 4	current	L $ 36, 000. 00	- 0 -	$ 36, 000. 00	240	L $150. 00
5	current	$820, 000. 00	Not evaluated		2300	$356. 50
6	current	$ 39, 500. 00	$18, 000. 00 (estimated)	$ 21, 500. 00	106	$200. 00+

Jefferson County - Section 16-17

Township - 5 South

Range 71 West

These two sections are typical of the lands that are being held by the state around the resort areas in the Rocky Mountain Region. These sections at one time were considered worthless and many times were traded for lieu lands or lands thought to be more valuable. Nearly "overnight" these lands have assumed a tremendous potential in terms of leasing for home sites or sales for mountain cabins, homes, and recreation.

The history of this section is rather vague. Little has been recorded in the records at the land board concerning the lease value of this section and little is available on the value for sales until very recently. Presumably, this was because the land lay vacant for many years and when leases were granted they were for little or nothing.

The first written record available on this section was made in April of 1921. At that time a Mr. Willett made the following report:

> The above land is located about two miles and 1/2, South West of Evergreen, on Bear Creek in the foothills.
>
> The lays (sic) rolling and rough, cut by three deep Draws or Ravines, the south side of which are (sic) covered with a dense growth of small Jack Pines and some Quaker Aspen trees; there is but little feed on this

---

* Section 16 and 17 were originally selected. However, upon investigation, section 17 was found to be Public Buildings Land, also administered by the land board. Both sectiońs are discussed in general terms but only part of section 16 is discussed in detail since it is the only school land in this area.

land except up along the draws and part of the South sloped, for there are huge ledges of rock that are several hundred feet high on the crests of the South slopes in two or three places.

The lessee, Mr. D. P. Wilmot, wishes to amend his application from a straight lease to an IMMUNITY LEASE, for five years and will give the minimum amount - $0.12 per acre and owing to the scant feed grown on this land, I think the board will be fully warranted in granting the lease at the amended price offered.

Inspected April 5th, 1921

J. F. Willet, Appraiser at Golden,
April 7th, 1921

	Grazing Lease	Sale
East 1/2, of W 1/2, Sec 16	$0.12	$30.00
West 1/2, of W 1/2, Sec 16	0.12	22.50

Between 1921 and 1926 the East 1/2 of West 1/2 was sold for the $30.00 figure. It is interesting to note that in 1926 the West 1/2 of the West 1/2 was sold for $8,000 or $50.00 per acre. This sale was later canceled and there is no record available to explain why this was so. The point of interest is that someone was willing to pay $50.00 per acre for land that was valued at $22.50 per acre while a few short years before someone purchased the more desireable land (based on appraisal) for $30.00 per acre.

There is little record of appraisal for leasing or sales between 1926 and 1959 for reasons already stated. However, there were several applications for sales filed against this remaining portion of section 16 which by now had been reduced to four 40 acre plots lying end to end.

These sales applications give some indication of the value and the thinking of the Board in terms of the potential of the land.

In 1945 a sales application was filed against the W 1/2 of NW 1/4 or 80 acres of section 16. At that time the Land Board advised the prospective buyer that the minimum selling price of this land would be $50.00 per acre. No lease was involved as the land was laying idle at the time and had been for some nine years. It was also stated by the Land Board Appraiser that a right of way to the remaining state land be retained. The land was advertised on September 10, 1945, and the minimum bid was not met. Therefore, the sales application was canceled.

In 1949, a formal sales application was filed on this section. However, since the price offered was $6.00 per acre, little consideration was given to this other than processing it according to accepted procedures.

In 1959, the current land appraiser for the State Board of Land Commissioners made the following appraisal:

> This 160.00 acres which consists of four fourties laying end to end are in the foothills. The South forty is less steep and rough than the rest and has more open parks which produces some grass. The rest is pretty well covered with pine, the North forty having some less pine than the two center ones which are on top of a ridge. There is also a County Road that runs across the North forty. No water developed on this lease.

Acres	Rental Price Per Acre	Cash Value Per Acre
160	$.25	$12.50

In September of 1961, a sales application was filed on W 1/2 NW 1/4 or 80 acres. Mr. W. E. Woodward, State Land Board Engineer, and Mr. George Barton, State Land Baord Appraiser visted the section and made the following report:

> This land was inspected by George Barton and Wesley E. Woodward on September 22, 1961.

We found that it is nearly surrounded by mountain homes, camps, lodges and other improvements, and that it is readily accessible from roads near the perimeter on several sides.

It is my intention to obtain from Jefferson County plots of subdivisions and roads adjoining this tract. I will also try to get aerial photos of the area.

Homesites in this tract are obviously very desirable and will sell for a high price.

Homesites in this tract are obviously very desirable and will sell for a high price.

I believe that the most revenue can be obtained by carefully plotting roads and lots and breaking up the land into rather small sites. I will continue investigations into possibilities of plotting and selling.

Wesley E. Woodward
Engineer

In Mr. Bartons' appraisal, the following comments were taken:

It might be that this is not the time (1961) to put the whole thing up for sale. I inquired as to the value of the property in that vicinity and it seems that each year there is more being subdivided. One party told me that she understood there was going to be a new subdivision further south and west of this lease and that the land which has been sold for homesites has sold for several times more than this applicant has offered. (which was $100.00)

The area joining these 40's on the east is somewhat developed. Several nice homes and a school are being built close by. I understand in this area land is selling for $1000.00 and up per acre. It is less than two miles SW of Evergreen. Every year there is more demand for mountain home sites which should make this land more valuable as time goes on.

I believe if these two forties were offered for sale I would ask not less than $750.00 per acre as a starting price.

September, 1961 Geo. E. Barton

The sales application for $100.00 per acre was canceled early in 1962. The land is currently being leased for grazing at $.25 per acre.

Table 16 shows a recapitulation of the values for lease and sales from the sources available for a period of 45 years.

TABLE 16

Year	Plot	Sale Price	Lease Price
1921	E 1/2 W 1/2	$ 30.00	$ .12
	W 1/2 W 1/2	22.50	.12
1926	E 1/2 W 1/2	30.00 (sold)	--
	W 1/2 W 1/2	50.00	.12
1945	W 1/2 W 1/2	50.00	vacant
1959	W 1/2 W 1/2	12.00	.25
1961	W 1/2 W 1/2	a 100.00	.25
1961	W 1/2 W 1/2	b 750.00	
*1966	160 acres	$ 550.00	

a surface usage only

b appraisal for sale

At present all actions on the section are pending.

APPRAISERS OPINION

LEGAL DESCRIPTION

The West One-Half (W1/2) of the West One-Half (W1/2) of Section 16, Township 5 South, Range 71 West of the 6th Principal Meridian, Jefferson County, Colorado.

LOCATION

Well located .8 mile south of traffic light in downtown Evergreen on paved State Highway 73 and then on a paved road 1.2 miles west to subject. In an area developed and developing into good quality year around homes. Close to Grade, Jr. High, and High School.

ACCESS

Access to the northerly part of land is very good on paved county road. However, land lays 4 quarter sections deep and narrow frontage which could cause a real problem for access to the rear or southerly portion.

TREND

Trend in area is for permanent homes on 1 to 2 acre sites depending on terrain.

TERRAIN

That portion north of the county road is high, sloping to road and numerous outcropings of large boulders. Well covered with small pines.

The portion south of the road is fairly level with gentle slope to south for a distance of approximately 500 feet where it drops rather sharply into a ravine. From the ravine south the terrain is considered rough since there is a second ravine just north of the south one-quarter. Considerable coverage of small pine trees.

SUBJECT

It appears that subject is definitely development land. A further study should be made relative to ingress and egress on present subdivision streets and roads in order to develop a suitable preliminary plan for estimating its potential value.

It may be that subject could be divided into several parcels for sale as development land.

That portion estimated at 10 acres north of the road could be sold as one parcel or possibly divided into an estimated 8 sites and sold individually. The same is true for those fronting on the road on the south side.

ANALYSIS OF MARKET AND COMPARABLE SALES

The area has been heavily subdivided over a period of recent years and other lands are available. Good sites will sell in the area from $1500.00 for a one-half acre to one acre depending on terrain. Informed sources state raw land for subdivision will typically sell from $300.00 to $500.00 per acre. These subject sites should bring close to the top of the market.

The market is not as good today as it has been in the past two years due to the numerous subdivisions and the money market to finance the residence once constructed.

Numerous sales were given cursary examination and it appears that smaller parcels typically up to 15 acres, improved, were selling at $500.00 to $1000.00 per acre. These sales included rights of way for access and where improved, a well water supply.

Sale No. 2 is only good comparable due to size - 100 acres - dated August 20, 1965, with $66.00 revenue indicating $60,000.00 sale or $600.00 per acre. Access good on county road. Appears to have considerable open area.

Sale No. 1 is a portion of Sale No. 2 wherein 13.7 acres were sold for $19,000.00 according to revenue stamps affixed.

Another tract of 9.88 acres not appearing on map but in Section 18 to west had indicated sale of $9000.00.

No inquiry was made relative to improvements included in sale.

CORRELATION

As a preliminary estimate subject would probably bring close to the top of the market for subdivision, that is, $400.00 to $500.00 per acre.

Also to be considered is the division of those lands fronting onto present road.

It appears the maximum value would be created, that is without further study and engineering, by use of three parcels.

Estimated 10 acres north of road for 8 sites, estimated at $1500.00 per site equals $12,000.00.

Estimated taking of 10 acres south of existing road for 8 sites and possible 60 foot strip for access street would be $1500.00 per site for 8 sites equals $12,000.00.

Remainder estimated to be 140 acres at $400.00 per acre equals $64,000.00.

FINAL ESTIMATE OF VALUE

Bases upon the information contained in this report with particular emphasis on the market data, it is my opinion that the market value of subject property, as of July 1, 1966, is:

> $550.00 per acre or $88,000.00 for 160 acres.

Larimer County - Section 35

Township 9 North

Range 72 West

This is a typical "lieu lands" selection made in the 1920-25 period. Little record is available to indicate the value of this section until just recently. There was a comment made in the 1930 period that, "This is selection land and for that reason has not been appraised. On the first trip into that section I will get an appraisement on it."

The first appraisal that is on record at the land board was made in December 1954. A general description was as follows:

> This 480 lays on the Poudre River and is very mountainous. Could see only the South slope which has grass and some sage. The only way to see the rest would be by horseback. Rental rate $.15 per acre.
>
> The appraiser did not list a sales price.

In 1959 a general description of this plot was made by the State Land Board Appraiser and the following values were quoted:

Rental price for grazing, $.25
Cash value per acre, $12.50

A 1965 appraisal gives the same description and values.

Presently, the land is leased for grazing and returns $120.00 per year to the School Income Fund.

APPRAISERS OPINION

LEGAL DESCRIPTION

A portion of Section 35, Township 9 North, Range 72 West containing 480 acres, according to information furnished the writer.

LOCATION

Approximately 20 miles northwesterly of Fort Collins, Colorado and 9 miles east of Rustic, Colorado on Colorado State Highway 14.

ACCESS

An inspection of the subject property reveals that access is available to the subject property from asphalt paved State Highway 14 via a padlocked gate along the fenced southerly boundary which adjoins the heavily tourist and sportsman traveled highway. A closer check on the title might reveal more exacting area and boundary lines together with access problems not evident in the site inspection.

TERRAIN

The subject property is located in Poudre Canyon and is generally mountainous. It is bisected by Elkhorn Creek which flows into the Poudre River directly south and adjoining the subject propwrty. The Poudre Canyon area is noted for its recreational attractions, viz. fishing, hunting, camping, et.. Numerous tourists travel the scenic highway which wends its way through the attractive rock formations and enjoy the facilities provided for outdoor life.

The photograph illustrates the terrain over the southerly portion of the subject property, which is the area inspected. A study of a U.S.G.S. map of the Big Narrows, Colorado quadrangle reveals that the balance of the subject property consists of mountainous, rugged terrain traversed by Elkhorn Creek and Stevens Gulch.

ANALYSIS OF COMPARABLE SALES

Sales of comparable properties in the immediate vicinity of the subject property were conspicuous by their absence principally because the majority of ground in the immediate area is included in the Roosevelt National Forest.

Six sales of mountain ranches were discovered northerly and easterly of the subject property, three of which are noteworthy. Sales 9 and 12 are considered as reliable indicators of the value of the subject property because they were purchased by the State of Colorado for the use and benefit of the Game and Fish Commission. The terrain in the properties sold is more desirable than in the subject and included 100 acres of meadow in each of the sales. However access to the subject is more desirable than the comparable sales which developed unit prices of $37. 75 and $62. 79 per acre respectively.

Sale 14, located approximately three miles northeasterly of the subject developed a unit price of $63. 90 per acre. This sale, which includes 100 acres of meadow, is significant because of its proximity to the subject property. The terrain in this sale is not as rugged as it is in the subject property, however the accessibility to the subject property is substantially superior than the accessibility to Sale 14.

ESTIMATE OF VALUE

A reconsideration of the locational and accessibility amenities apparent in the subject property indicates that the highest and best use of the subject property lies at a recreational level rather than at a grazing level. Its proximity to the Roosevelt National Forest with its recreational facilities, its location with respect to the Poudre River and Canyon and their recreational facilities and the acquisition of the Colorado State Game and Fish Commission in the general area tend to support this opinion. It therefore becomes difficult to ignore the value patterns established by these governmental bodies and private investors in the vicinity of the subject property. These value patterns range from $37. 75 to $63. 90 per acre.

As stated earlier the subject property has more rugged terrain than the comparable sales. It also enjoys more favorable accessibility than any of the comparable sales. After consideration of all of the foregoing data and analysis it is my opinion, based upon comparison, the market value of the subject property as of July 1, 1966 is properly expressed as follows:

480 acres @ $30 per acre = $14, 400

SUMMARY TABULATION OF COMPARABLE SALES

Sale No.	Sale Date	Sale Price	Allocated Land	Allocated Impr.	Net Land Sale	Acreage	Sale Price per Acre
9	5/61	$143, 834	$123, 834	$20, 000	$123, 834	3, 280	$37. 75
10	*6/66	$ 72, 000	72, 000	-	$ 72, 000	1, 600	$45. 00
11	12/64	$267, 500	$227, 500	$40, 000	$227, 500	4, 560	$49. 89
12	3/64	$138, 000	$108, 000	$30, 000	$108, 000	1, 720	$62. 79
13	3/64	$100, 000	$ 65, 000	$35, 000	$ 65, 000	880	$73. 86
14	11/65	$100, 000	$ 85, 000	$15, 000	$ 85, 000	1, 330	$63. 90

* Pending sale.

Larimer County - Section 16

Township 10 North

Range 76 West

This is a typical grazing section in the mountains of Northern Colorado. There is little historical record of appraisal.

The first appraisal on record was in September of 1917. At that time the following report and values were placed on this section.

> This land is located about four miles S (sic) of Gleneyre, Colorado in Larimer County. This is very rough, rocky section, composed of high mountain land covered with scattering pine trees and sage brush. Will never be fit for anything but grazing. Has deep draw thru (sic) the S 1/2 S 1/2, running from E to W which has stock water only a portion of the year.

The grazing lease was $.08 per acre and the sale price was quoted at $5.00 per acre.

In 1921 a similar appraisal was made with the same values quoted.

There are no appraisals on record from 1921 until 1956. At this time a general description of the topography was made and it is similar to the report above. The value of the land was quoted as follows:

Grazing lease,	$ .22
Sales value	12.50 per acre

The grazing lease was returning $140.80 to the public school funds.

Five years later in 1961, the lease price was $.30 and the sales value had increased to $15.00 per acre.

It has been difficult to trace the value of this land due to the lack of consistant appraisals and no sales applications being filed against the section.

It is now being leased to a large ranch for $.30 per acre for 10 years. It returns $192.00 per year to the School Income Fund of Colorado.

TABLE 17

Year	Plot	Sale Value	Lease Value
1917	Section 16	$ 5.00	$ .08 grazing
1921	Section 16	5.00	.08 grazing
1956	Section 16	12.50	.22 grazing
*1966	Section 16	30.00	-

APPRAISERS OPINION

LEGAL DESCRIPTION

Section 16, Township 10 North, Range 76 West, the area of which is indicated as being 640 acres.

LOCATION

Approximately 2 miles northerly of Glendevey, Colorado.

ACCESS

An inspection reveals that access is available to the subject property from a gravel surfaced county road. A closer check on the title might reveal access problems not evident in the site inspection.

TERRAIN

Judgment of terrain over the entire subject property would be erroneous if nothing other than the view from the county road were inspected. The terrain of the subject adjoining the county road is rough, irregular and rocky. However, proceeding inland, from whence the photograph was taken, the subject terrain becomes slightly rolling in character, broken by a few draws or gullies, but generally very suitable grazing land. McIntyre Creek parallels the county road and two draws, one in the southern portion and the other in the northern portion, flow into McIntyre Creek. The slopes are not too steep for a compact car, which the writer used for access to inspect the upper level which revealed some timber growth.

ANALYSIS OF COMPARABLE SALES

Though not in the immediate vicinity of the subject property, four sales of mountain ranches were utilized in the comparison analysis. These sales reveal a unit price value range of from $37. 75 to $49. 89 per acre. The access and the terrain in the subject property is considered more desirable than in any of the comparable sale properties although the location is slightly more remote, with the exception of Sale 19. For the latter reason Sale 19, which developed a unit price of $49. 74 per acre, is considered most comparable to the subject property. Because this sale is located in the Laramie River drainage at its junction with Forester Creek, and the presence of meadow land in this vicinity, the subject property in considered less desirable than Sale 19.

ESTIMATE OF VALUE

After consideration of all of the foregoing data and analysis it is my opinion, based upon comparison, the market value of the subject property as of July 1, 1966 is properly expressed as follows:

640 acres @ $30 per acre = $19, 200.

SUMMARY TABULATION OF COMPARABLE SALES

Sale No.	Sale Date	Sale Price	Allocated Land	Allocated Impr.	Net Land Sale	Acreage	Sale Price per Acre
9	5/61	$143, 834	$123, 834	$20, 000	$123, 834	3, 280	$37. 75
10	* 6/66	$ 72, 000	$ 72, 000	-	$ 72, 000	1, 600	$45. 00
11	12/64	$267, 500	$227, 500	$40, 000	$227, 500	4, 500	$49. 89
19	7/60	132, 500	$ 97, 500	$35, 000	$ 97, 500	1, 960	$49. 74

* Pending sale.

Larimer County - Section 16

Township 5 North

Range 70 West

This section lies West of Loveland, Colorado approximately ten miles. This is a very steep rough section located in the lower mountains. It has never provided a great amount of revenue to the School Income Fund, but had provided a stable source of income over a number of years. The first written record available on this section was made in 1936. At that time, apparently, a portion of the section lay idle. However, the following statement was made:

> A piece of rocky grazing land - some timber - can only be used for grazing purposes. If leased, lease it for 8¢. It cannot possible (sic) be farmed. If sold, $8.00 per acre.
>
> June 30, 1936 State Land Board
> Appraiser

The next written record available and formal appraisal on record was made in January 1958. At that time a rather extensive description was made. It simply states in more specific terms how very rough this particular piece of ground is. In 1958, the 640 acres was being leased for 18¢ per acre and this returned $115.20 per year to the School Income Fund of the state. "The land, if sold, sell all or none at a cash value of $10 per acre." (sic)

The 1963 appraisal has not changed substantially. The 640 acres was again described. The rental price, 20¢ per acre, the cash value if sold, $10.00 per acre.

At the present time this land is being leased for grazing purposes and returns to the School Income Fund of the State of Colorado $128.00 per year and will do so until April, 1974.

APPRAISERS OPINION

LEGAL DESCRIPTION

Section 16, Township 5 North, Range 70 West, the area of which is indicated as being 640 acres.

LOCATION

Approximately ten miles westerly of the City of Loveland, Colorado about 1/2 mile south of U. S. Highway 34 west of the Narrows entrance to Big Thompson Canyon.

ACCESS

As stated above, the subject property is located about 1/2 mile south of U. S. Highway 34 at what is labeled as Waltonia on the U. S. G. S. map of the Drake, Colorado quadrangle. It is bounded on the west, north, south and 1/2 of the easterly section line by the Roosevelt National Forest. Thus legal access appears to be virtually non-existant. The U. S. G. S. map indicates that a jeep trail extends from Waltonia in a southeasterly direction and bisects the subject property; however, a close check on the title might reveal what is suspicioned by the writer as a result of an inspection of the subject property, viz., no legal access is available to the subject property.

TERRAIN

The subject property is located along the southerly rim of Big Thompson Canyon and consists of extremely steep, rugged, mountainous terrain. In addition to the rugged outcropings, the terrain is broken by gullies and washes. The photograph illustrates the terrain over the northerly portion of the subject property, which was the area inspected.

ANALYSIS OF COMPARABLE SALES

The subject property is located in scenic Big Thompson Canyon, the route of tourists to the well known Estes Park, Trail Ridge Road recreational areas. The rugged terrain in the area is a haven for sportsmen and outdoorsmen who avail themselves of the bountiful hunting and fishing opportunities in the vicinity of the subject property.

Four sales in the immediate vicinity of the subject property were considered in the value estimate. Portions of all of the sales experience the same rugged terrain as the subject and all except Sale 18 enjoy better access. Sale 15, which obviously eludes the general pattern, involved extension of contiuous ownership and may explain the higher unit price. Sale 18 also included an extension of continuous ownership by the current lessee of the subject property at a unit price of $60.94 per acre. Sale 17, adjacent to the subject property on the east, involved the sale of 2,000 acres, approximately 85 of which was meadow, at a unit price of $42.50 per acre. This sale which enjoys better access than the subject is considered most comparable to the subject property. Sale 16 which included approximately 100 acres of meadow was consumated at a unit price of $47.22 per acre. It too enjoys better access than the subject property.

ESTIMATE OF VALUE

A reconsideration of the locational, terrain and accessibility factors apparent in the subject property indicates a lowered value estimate than is indicated from the comparable sale properties; however, these factors, while undesirable when considering the highest and best use for grazing, act as favorable influences when considering the highest and best use for recreational pursuits, viz., huntin, etc.. Therefore it may be to the best interests of the persons involved to consider these recreational pursuits in light of the attitude that may be expressed by the State Game and Fish Commission.

After consideration of all of the foregoing data and analysis it is my opinion, based upon comparison, the market value of the subject property as of July 1, 1966 is properly expressed as follows:

640 acres @ 25 per acre = $16,000.

SUMMARY TABULATION OF COMPARABLE SALES

Sale No.	Sale Date	Sale Price	Allocated Land	Allocated Impr.	Net Land Sale	Acreage	Sale Price per Acre
15	4/66	$ 40,000	$30,000	$10,000	$30,000	167	$179.64
16	2/61	$105,000	$85,000	$20,000	$85,000	1,800	$ 47.22
17	11/61	$107,500	$85,000	$22,500	$85,000	2,000	$ 42.50
18	3/66	$ 19,500	$19,500	-	$19,500	320	$ 60.94

Larimer County - Section 16

Township 5 North

Range 72 West

There is an interesting and revealing history connected with this section. This section of land is located near the resort area of Estes Park, Colorado. This 640 acre site is located 1 1/2 miles Northeast of Estes Park with its Northwest corner on the Devil's Gulch Road and the South line about 1,000 feet North of the Big Thompson Canyon.

The first written record of appraisal available was September 14, 1917. The following general statement was made by Mr. S. B. Wood:

> This section is located two miles East of Estes Park and 20 miles Northeast of Lyons, the terminus of the Burlington Railroad.
>
> The NW 1/4 of this section is an open park. There is a small spring on SE of NW 1/4 which affords plenty of water for stock. The rest of the section is high rocky ridges covered with thick growth of jackpine. There are several small open glades which afford good grazing on East half of section. There is a good growth of gamma and buffalo grass. Owing to the fact that this section is very hard to reach, as there is only an old road leading to it that can only be traveled horseback and also as it is very high and rocky would suggest that this section might be traded for lieu land (sic).
>
> If sold all should be sold or none. (sic)

Mr. Wood further advised that the land should be valued as follows:

E 1/2, 320 acres, should be leased at $.08 per acre and offered for sale at $5.60 per acre. The SW 1/4, 160 acres, should be leased at $.08 and sold for $8.00 per acre, or sell all for an average price of $7.25 per acre.

The first hint of how much this land was going to increase in value was found in a memorandum in 1920 or 1921. Mr. Horace W. Havens (Mineral Superintendent) in a written memorandum to Mr. Chatfield (Administration Officer) stated:

> Professor W. J. Morrill, State Forester, says:
>
> "Three streams of water, beautiful park, reservoir sites; could be surveyed to 100 lots. Value - $400.00 per lot. This section is sell provided with portable water. The South boundry of the section lies about 1/4 mile from the Big Thompson Highway at Glen Comfort. A wood road runs from Glen Comfort to the middle of this section. The section is very scenic because of huge clifts (sic) and interesting canyons. The section should be worth not less than $40,000.00 or more for recreational development."
>
> (Signed) W. J. Morril, State Forester
>
> This section should be held from sale. Valuable timber, summer home sites.
>
> Horace W. Havens, Mineral Superintendent.

In May of 1941, the State Land Board Appraiser again visited Section 16, 5N, 72 West. The following written report was filed as follows:

> This is a very hilly rocky tract of foothill land about one fourth of which is covered with yellow pine timber which is being cut and marketed at the present time by a man named Black. It is fairly good grazing and contains stock water. It is accessable from a point on Highway 16 in the Big Thompson Cannon (sic) about four miles East of Estes Park. Being about 1/4 mile from said highway (sic).
>
> This section is no better in character than the average grazing section which leases for $.08 or sells for $5.00 per acre, but owing to its proximity to Estes Park, it commands a higher rate. So far as value for summer homes is concerned it will be a long time before it will be in demand as there is so much other land more favorable(sic) located in the vicinity.
>
> May 16, 1941 A. E. Williams

Mr. Williams appraised the land as follows:

NE 1/4	Grazing lease	$.12 per acre	Sale	$7.50 per acre
NW 1/4		.12		7.50
SW 1/4		.12		7.50
SE 1/4		.12		7.50

The next written appraisal available in the land board records was in May of 1955. Mr. George E. Barton made the following appraisal and general statement:

> This section is all mountains. The Southeast corner comes down to the Big Thompson River. The lessee said the whole section is just as rough as what I could see. I was where I could see North and South. There is a spring near the center of the section for stock water.
>
> You may wonder why I have not raised the lease price from 1950. I think it was much too high then, but the lessee accepted the price so I am leaving it the same as it was in the last lease.
>
> There are scattered cedar and pine, none of commercial value. The grass looks very thin and scarce on what I could see. The mountain side was mostly rock.
>
> Appraised value for leasing - $.20 per acre
> Appraised value - $7.50 per acre

In 1960 a similar report was made by the same appraiser and the lease for grazing was raised from $.20 to $.25. The other values remained the same.

In March of 1961, the town of Estes Park, in cooperation with Larimer County, expressed to the land board a desire to negotiate for acquisition of this section. In response to this inquiry the following officials from the State Board of Land Commissioners went to Estes Park to inspect the section and talk with Estes Park town officials:

Mr. Kelley Jackson - State Land Board Member
W. E. Woodward - State Land Board Member (Engineer)
W. H. Pattison - Employee State Board (Mineral Superintendent)

The following report was made concerning this inspection:

Intradepartment
Memo

STATE BOARD OF LAND COMMISSIONERS
Room 115, State Capitol Building
Denver 2, Colorado

TO: Whom it May Concern
FROM: W. E. Woodward, Engineer
SUBJECT: Inquiry of Town of Estes Park - Section 16, Township 5 North, Range 72 West

April 5, 1961

Kelley Jackson, West Woodward and W. H. Pattison inspected this section of land. The Northwest corner of the section is approximately on the Devils Gulch road. The south line of the section is approximately 1000 feet north of the Big Thompson Canyon.

A minor road, between cabin sites, leads into the section from the Big Thompson Hiway. There is a locked gate on the road. A good stream flows from the North through the center of the section, to the Big Thompson.

The road from the Big Thompson is passable, probably by any car, through most of the section.

This is very pretty country -- small, open valleys connecting to each other -- between high rocky hills. Timber (ponderosa pine, some juniper) scattered at lower elevations, heaviest on the higher hillsides. Most of it is accessible by car. View to the South across the Big Thompson. Many fine sites for summer homes. Would estimate that 75% of the section could be used for summer home sites. Recommend 3 to 10 acre sites. Minimum amount of road improvement would give access to most of the land.

In the opinion of Jackson, Woodward, Pattison, this land has high potential value for cabin sites if utilities can be brought in and the section subdivided. W. E. W. recommends boundary survey and aerial photo to plat from. Believes that land developers would be much interested in the section, but that greater revenue would come to the state if it was developed by the Land Board.

We talked to Verne Fanton, Town Clerk of Estes Park, about their interest in the section. They wanted it as a site for a sanitary fill (city dump) because it was out of sight of the main roads. We told him we weren't interested in this proposal. Town will look elsewhere.

WEW/mg WESLEY E. WOODWARD, Engineer

In September 1965, the land was again appraised for lease purposes. A lease of $.25 was recommended. The most significant change in the appraisal however, was that the land value for sale purpose was set by the appraiser at $100.00 per acre.

Also in September, an application for sale was applied against this section. Sale application #65/439 carried an offer of $30.00 per acre. The State Board of Land Commissioners canceled this application and stated: "The board feels it inadvisable to offer the land for sale at this time, nor will they in any way consider an offer of $30.00 per acre".

Later in September of 1965, the board agreed to reinstate sale application #65/439 with the following statement: "The board will not accept the original offer of $30.00 per acre, but has agreed to make an appraisal and to discuss the sale further."

In October, the State Land Board Appraiser again visited the site and made the following recommendation to the board: "I think the South 1/2 should have a starting price of $150.00 per acre and the North 1/2 section should start at $100.00 per acre." He also voted that there should be $300.00 in fencing listed as improvements on the land.

Table 18 gives a recapitulation of the sale and lease value taken from the existing records at the State Land Board Office.

TABLE 18

Year	Plot	Sale Value	Lease Value
1917	E 1/2 (320 acres)	$6.50 per acre	$.08 per acre
	SW 1/4 (160 acres)	$6.50 per acre	$.08 per acre
	NW 1/4 (160 acres)	$8.00 per acre	$.08 per acre
1920	Whole section	$ 60.00 approx.* per acre	- -
1941	NE 1/4	$7.50 per acre	$.12 per acre
	NW 1/4	$7.50 per acre	$.12 per acre
	SW 1/4	$7.50 per acre	$.12 per acre
	SE 1/4	$7.50 per acre	$.12 per acre
# 1955	Whole section	$7.50 per acre	$.20 per acre
# 1960	Whole section	$7.50 per acre	$.25 per acre
1965	Whole section	$100.00 per acre	$.25 per acre
1965	S 1/2	$150.00 per acre	- -
	N 1/2	$100.00 per acre	- -
1966	all	$173.44 per acre	- -

* See text for statement by Professor W. J. Morrill

# Based on surface usage only

At this writing no further action has been recorded. The sale application is pending.

APPRAISERS OPINION

LEGAL DESCRIPTION

Section 16, Township 5 North, Range 72 West, containing 640 acres, according to information furnished the writer.

LOCATION

The subject property is located approximately two miles east and one mile north of the Town of Estes Park, Colorado.

ACCESS

According to a U. S. G. S. map (Glen Haven, Colorado quadrangle), the subject property is bounded on the south and east by the Roosevelt National Forest and access to the subject property is gained via a gravel raod from U. S. Highway 34 through the Roosevelt National Forest. Another road extends northeasterly from U. S. Highway 34 at the approximate drive-in theater location; however, according to the aforementioned U. S. G. S. map this road, which parallels Dry Gulch, at no time affords access to the subject property. A closer check on the title may reveal more definite answers relative to accessibility; however, based upon the aforementioned, the appraiser is of the opinion that because of the uncertainties involved the accessibility of the subject property to major thoroughfares is substandard.

TERRAIN

Elevations in the subject property range from 7, 400 to 8. 000 feet. The highest and most rugged area of the subject property is located in the NE 1/4. Similar heights and rocky ruggedness is apparent in the W 1/2 SW 1/4 and the NE 1/4 SE 1/4. Therefore approximately 280 acres of the total ownership is considered less desirable than the balance.

Other terrain in the subject property is rolling and sloping and is suitable for road and improvement construction.

ANALYSIS OF COMPARABLE SALES

Few sales of comparable properties in the vicinity of the subject property were discovered. This phenomenon is explainable in the following manner:

1. The highest and best use of the subject property is considered to be for residential recreational development; however, as abundance of more desirable, more favorably located sites are currently available hence the rate of absorption of developable sites in the subject property would be very slow.

2. The availability of mortgage financing in mountain areas for residential recreational development is virtually non-existant.

3. The Town of Estes Park is a resort community and derives its economic base from tourist trade which extends for a three month period. Thus its growth has been relatively slow.

Knowledgable and prudent developers are aware of the aforementioned, hence while sellers recognize the recreational potential, purchasers are slow to react to the asking prices which results in a vacuum thereby producing little activity.

Of the sales discovered, a range of from $125.00 to $365.85 per acre is indicated. Sale 22, a small forty acre parcel experiences the same terrain and access problems as is indicated for the less desirable portion of the subject property. Sale 21 has similar though less favorable terrain as the subject but enjoys access via U. S. Highway 34 and developed a unit price of $343.34 per acre. Sale 20 has similar terrain as the subject and has access via the aforementioned road which parallels Dry Gulch. This sale developed a unit price of $365.85 per acre.

ESTIMATE OF VALUE

For the reasons mentioned earlier, viz., access, slow growth and rate of absorption, lack of mortgage financing for development, etc. the writer is of the opinion the value of the subject property lies at the lower range of the value indications. Thus the value of the developable portion of the subject property is estimated at $250 per acre and the value of the less desirable, or more rugged portion of the subject property is estimated at $75 per acre..

Related to the areas within these classifications the following values are indicated for the subject property:

Developable residential recreational area	
360 acres @ $250 per acre	$ 90,000.
Rugged, mountainous portion	
280 acres @ $75 per acre	$ 21,000.
Total Value Indication	$111,000.

Based upon the foregoing data and analysis it is my opinion, based upon comparison, the market value of the subject property as of July 1, 1966 is properly expressed as follows:

640 acres @ $173.44 per acre = $111,000.

SUMMARY TABULATION OF COMPARABLE SALES

Sale No.	Sale Date	Sale Price	Allocated		Net Land Sale	Acreage	Sale Price per acre
			Land	Impr.			
20	12/61	$75, 000	$75, 000	-	$75, 000	205	$365. 85
21	3/63	$80, 000	$80, 000	-	$80, 000	233	$343. 34
22	6/63	$ 5, 000	$ 5, 000	-	$ 5, 000	40	$125. 00

Larimer County - Section 16
Township 6 North
Range 68 West

There remains in this section 236 acres. The investigator has only been able to account for 4617 of these acres being sold. It appears that the North Poudre Irrigation Company ditch has taken a large portion of this section. However, there has been no indication as to the exact nature of the loss of the larger portion of this section. It is a good farming section located in Larimer County in Northeast Colorado. The first description available on record at the State Board of Land Commissioners was made in 1917. At that time the land was described as follows:

> This land is adjoining the Fossil Reservoir and is that portion of land lying above the high water mark. The soil of this land is very rich and productive, the soil being a deep black sandy loam. These parcels of land may have been cultivated by Applicant Mr. Ernst who should pay rental.
>
> This land is rather inacessible, there being no roads leading to it, so it would be more valuable to applicant than anyone else, as he owns the adjoining land. This land would be more valuable if it were in larger tracts.

This may also explain what happened to a portion of the land as it may be at the bottom of the reservoir. This will be discerned upon visitation of this particular section.

He further valued the land as follows :

$5.00 agricultural lease; for sale purposes, $35.00, no grazing lease was mentioned.

There are no other records of formal appraisal until 1957. At that time the 236 acres was described and the following comments were made

> There are only 236 acres of this lease that are usable for agriculture. The rest is covered by a lake part or all of the time. The land is quite rolling but will evidently produce a good crop when conditions are favorable.
>
> The West part is rather gravelly ridge (sic); the East part is flat and the soil is heavy loam. The North part of the section is covered by a lake.
>
> The previous lease, I noticed, was $4.00 per acre, which I think is much too high due to the present price of wheat and the wheat allotment, which allows the leasee (sic) to plant only approximately two-thirds of the land. This means he will have to plant the balance in some grain crop of smaller cash value.
>
> November, 1957

He then placed the rental price on this 236 acres at $2.50 per acre, and if sold, $50.00 per acre.

In 1962 the land was again appraised, and the only difference noted in this appraisal was that the rental price per acre of this farm land rose from $2.50 to $2.75, and the cash per acre rose from $40.00 in 1957 to $80.00 in 1963. The farm currently is being leased and all farmed, and returns to the School Income Fund of the State of Colorado $649.00 per year, and will do so until February, 1974.

TABLE 19

Year	Plot	Sale Value	Lease Value
1917	236 acres	$ 25.00 per acre	$ 5.00 agriculture
1957	235 acres	40.00	2.50 agriculture
1962	236 acres	80.00	2.75 agriculture
1966	236 acres	$400.00	-

APPRAISERS OPINION

LEGAL DESCRIPTION

A portion of Section 16, Township 6 North, Range 68 West, the area of which is indicated as being 236 acres.

LOCATION

Approximately four (4) miles south and three (3) miles east of the existing City of Fort Collins limits, directly west of Interstate 25 at the junction of the Windsor Road and Interstate 25.

ACCESS

The absence of an accurate legal description renders any opinion as to whether or not the subject parcel fronts onto the county road west of Interstate 25, impossible. For the purposes of this value estimate, and based upon an inspection of the parcel, it is assumed that the subject property fronts onto the gravel surfaced county road immediately west of Interstate Route 25.

The proximity of the subject property to the expanding City of Fort Collins boundaries indicates the highest and best use of the subject property is for potential subdivision development. Certainly the sales of similarily located properties in the vicinity of the subject indicates that prudent, well-informed purchasers consider the highest, best and most productive use of these lands to be for other than farming purposes. Analysis of the Fort Collins and other areas of metropolitan development discloses that certain lands within a specifically defined area develop at a more rapid rate than others. Development of lands adjacent to thorofares tends to occur before development of lands somewhat removed from these thorofares because of advertising advantages accruing to developers of these lands and because of the ease with which potential purchasers may traverse distances to places of employment, shopping, etc., provided that access to the thoroughfare is readily obtainable. A comparison of prices paid for these lands contiguous to roads that provide relatively rapid access with those somewhat removed reveals definite value increments for the former.

Predicated upon the assumption that the expressway, which is indicated in the City of Fort Collins Guide for Growth as paralleling Harmony Road, is completed and after consideration of the building permit activity in the southeast and southwest quadrants of the City of Fort Collins (270 permits annually), the expanding annexation policies of the City of Fort Collins in a southeasterly and southwesterly direction, the availability of water service (Fort Collins - Loveland Water District), and the proximity of the subject property to the Fort Collins - Loveland Municipal Airport and the probability that activity will be generated in the area as the city expands, it is my opinion that no other conclusion than the one previously discussed can be adopted relative to the highest, best and most probable use of the subject property.

TERRAIN

The previously mentioned inspection discloses that the terrain rolls gently in an easterly-westerly direction and slopes toward the Fossil Reservoir to the north. The soil, which had been cultivated at the inspection date appeared to be dark sandy loam in character and was unbroken by washes or gullies. No improvements or wells were observed and the property, along the county road, was fenced.

ANALYSIS OF COMPARABLE SALES

Analysis of the comparable sales and the activity apparent in the general vicinity of the subject property precipitates several observations and/or opinions relative to real estate values as indicated by the purchasing market.

1. A definite appreciation in land prices is discernible. Certain of the purchasers had specific uses in mind at the acquisition date, viz., the City of Fort Collins (Sale 3) for golf course use ($1,000 per acre). Others (Sales 5, 6, 7 and 8) were purchased for subdivision development or for speculation that the values would in fact, appreciate.

2. The larger tracts, with the exception of Sale 3, sold at lower unit prices than the smaller tracts. This reaction of the market is logical because the number of purchasers decreases as the price and/or size of the project increases. Worded differently, there are fewer potential purchasers for large sized tracts than for smaller tracts.

3. Prices paid for acreages located along thoroughfares are higher than for those somewhat removed. Whether the purchasers of these tracts consumated their transactions for the same reasons stated earlier is unknown; the fact remains they paid more for their lands contiguous to thoroughfares than their neighbors who were somewhat removed.

ESTIMATE OF VALUE

Sale 8 is an irregularily shaped parcel which includes part of Lindenmeier Lake (54 acres). The usable ground (114 acres) is mostly cultivated crop land and is in the process of being platted for subdivision development. An adverse condition in the form of a deep outlet canal cuts through the southeastern portion of the property. This sale, which develops a unit price of $1, 316 per acre for the usable land and $893 per acre overall, was included to illustrate the attitude of subdivision developers toward land contiguous to bodies of water. This sale, because of its closer proximity to Fort Collins, would tend to set the upper limit of value for the subject property.

Sale 1 is contiguous to the north shore of Fossil Reservoir and is located directly across Fossil Reservoir from the subject property. Inasmuch as it does not enjoy the frontage along a thoroughfare, as is assumed in the subject property thus does not have similar access amenities, this sale at $372 per acre would tend to set the lower limit of value for the subject property.

Sale 2 was purchased for the express purpose of farming the 142 acres involved and was consumated at a unit price of $387 per acre.

Based upon the foregoing data and analysis, and after specific consideration of the supply and demand factors apparent in the amount of lands available and suitable for subdivision development in the southeasterly and southwesterly quadrants of the City of Fort Collins metropolitan area, it is my opinion the market value of the subject property as of July 1, 1966 is properly expressed as follows:

236 acres @ $400 per acre = $94, 400.

SUMMARY TABULATION OF COMPARABLE SALES

Sale No.	Sale Date	Sale Price	Allocated Land	Allocated Impr.	Net Land Sale	Acreage	Sale Price per Acre
1	4/65	$ 68,000	$ 68,000	-	$68,000	183	$ 372
2	2/65	$ 67,500	$ 55,000	$12,500	$55,000	142	$ 387
3	5/66	$192,000	$192,000	-	$192,000	192	$1,000
4	10/65	$ 29,000	$ 1,450	$27,550	$ 27,550	29	$ 950
5	1/62	$ 70,000	$ 70,000	-	$ 70,000	152	$ 461
6	4/61	$ 36,000	$ 29,500	$ 6,500	$ 29,500	118	$ 250
7	12/64	$130,000	$122,000	$ 8,000	$122,000	160	$ 762.50
8	10/65	$150,000	$150,000	-	$150,000	168	$ 893

Logan County - Section 36

Township 6 North

Range 53 West

The first record available on this section and the first formal appraisal that took place was in September of 1922. At that time this general statement was made concerning section 36:

> The East 1/2 of this section, on account of living water, is especially desirable for pasture purposes. The small valley that extends through is as good farming land as there is in that part of the county, but with that, it is what I term poor on account of the sand that surrounds it so closely. (sic)
>
> The West 1/2 has a small portion of low valley that extends through the section and that small part is just as good as that part extending to the East 1/2 of the section, but the remainder of the West 1/2 is one of the roughest, rolling, sandy tracts of land in all that part of the county, and is worthless for any other than grazing and is poor for that purpose (sic).
>
> Inspected September 1922

The land appraiser placed the following values on this section: the East 1/2 of section 36, grazing lease $.12; for agricultural lease $.75; if sold, sale price to be $17.50. The West 1/2, grazing lease $.10; for agricultural purposes, $.75; if sold, sale price to be $7.50.

There are no further appraisals available on this section over a period of almost 40 years. The next appraisal on record at the State Board of Land Commissioners was made in October of 1962. At that time, the land was given a general description, very brief, somewhat along the lines of the description of 1922, and the following values were quoted: the rental price per acre was $.50, the cash value per acre if sold,

$16.50 for the entire section. It is interesting to note that the 1956 grazing lease on this section was $.40 per acre. This was raised in 1962 to the $.50 per acre just quoted. It is equally interesting to note that this is one of the leases that the President of the State Board of Land Commissioners refused to sign. He wrote on the lease at that time: "I see no justification for a 25 percent increase in rent. A. M. Ramsey, State Board of Land Commissioners."

This is one of a number of leases that this phrase is written on. Any time the lease was increased in the last two years this President of the Land Board served, he would not sign the leases if they were at all increased for the benefit of the School Fund.

At the present time the whole section is being used for grazing purposes only. This returns $320.00 per year to the School Income Fund of the State of Colorado.

APPRAISERS OPINION

LEGAL DESCRIPTION

Section 36, Township 6 North, Range 53 West of the Sixth Principal Meridian, Logan County, Colorado.

LOCATION

Approximately 7 miles outh of Atwood and one-half mile west of Colorado Highway 63 in Logan County where the south line is contiguous to the north line of Washington County.

ACCESS

There is no legal public access to subject land. Private land to the east must be crossed by a pasture trail.

Subject does not appear to be fenced. Land on the west, north and east are held in one ownership.

TERRAIN

Typical of area but with more high ground to the west. A flood drainage area crosses diagonally from the northwest to east center section line.

Soil is sandy. Typical sandhill grazing land.

There is an estimated 160 acres which could be classified as better grazing land.

SUBJECT

Subject does not appear to be fenced. There does not appear to be any wells on property. There does not appear any legal right of way for access to the land. The high knolls in westerly part do not afford much quality or cover for grazing purposes. It is surrounded by privately owned land - three sides being in the same ownership.

Typically, informed sources feel its carrying capacity is one animal unit (cow calf for 6 months) per 20 acres and probably 30 acres on west one-half.

Grazing associations have been estimating 15 acres and typically been paying higher prices.

Often these lands will sell to individuals or farm corporations who also have irrigated farm land or have purchased other lands years ago at a lower price. In these instances the prices paid do not reflect an entirely true income approach to the value of the property.

Also many times they are purchased in conjunction with an operation wherein the buyer holds leases on a large number of acres of government land.

Since these buyers are typical in the market place it is necessary to consider the sales made wherein they are purchasers. However, they do not typically buy isolated, detached parcels of this type.

ANALYSIS OF COMPARABLE SALES

Sale No. 1. Purchased under contract. Sale made in November, 1964. A portion of the property bought lies in Washington County.

However, the soil, terrain and usage is so similar, the entire sale will be considered as 1 parcel of 3880 acres.

Basically this land is better than subject since it also includes farm land, grass land; is more level, and some may be irrigated.

Sale	$203,700.00	
Less	8,700.00	Estimate value of Improvements
	$195,000.00	Estimated Sale Land

$195,000.00 divided by 3880 equals $50.25 per acre.

Indicates prices paid for total self contained operational units, diversified land of better quality. Contract Purchase.

Sale No. 2. Sale date in 1959. According to assessors records it was all grazing with only 320 acres out of 1880 acres purchased classified above lowest rated grazing land.

Acres 1880
Sale $51,500.00. No Improvements.

$51,500.00 divided by 1880 equals $27.40 per acre.

This sale is comparable, except for isolation factor and is fenced and has water.

CORRELATION

Sales in other areas of grazing land reported between $30.00 and $45.00 per acre.

However, consideration must be given that subject does not appear to be fenced, has no legal access and no water.

There are a few sales south of subject in Washington County in 1960-1962 which indicate values for smaller, detached parcels without good public access.

Sale No. 3 was a purchase by owner of land on 3 sides of subject in 1959. Fenced, poor watering facilities. Remote. Difficult access. $16.00 per acre.

Other sales of one-half sections and smaller parcels at $14.00.

Subject is not rentable to most tenants or lessees due to lack of fence, water and public access.

Therefore, it is estimated that subject would sell between $14.00 and $16.00 per acre.

FINAL ESTIMATE OF VALUE

Based upon the information contained in this report with particular emphasis on the market data, it is my opinion that the market value of subject property, as of July 1, 1966, is:

> $15.00 per acre or $9600.00 for 640 acres.

SUMMARY TABULATION OF COMPARABLE SALES

Sale No.	Date of Sale	Sale	No. of Acres	Unit Price	Comments
1	1/18/65	$195,000.00 (adjusted)	3880	$50.25	Contract of Sale, $12,000.00 cash down- Larger working unit, better land.
2	2/7/59	$ 51,500.00	1880	$ 27.40	Larger, better access.
3	9/8/59	$ 25,600.00	1600	$ 16.00	Larger - fence, water, difficult access.
4	11/3/62	$ 6,400.00	320	$ 20.00	Smaller.
5	8/62	$ 60,480.00	1440	$ 37.00 (adjusted)	Water, fenced, 480 acre state lease included.
6	5/11/60	$ 2,800.00	200	$ 14.00	Isolated - smaller.
7	12/12/60	$ 4,500.00	320	$ 14.00	Perim fence only, no water or public access.

TABLE 20

Year	Plot	Sale Value	Lease Value
1922	E 1/2 Section 36	$17.50	$.12 grazing .75 agricultural
	W 1/2 Section 36	7.50	.10 grazing .75 agricultural
1962	all	$16.50	$.50 grazing
*1966	all	$15.00	- -

Morgan County - Section 36

Township 4 North

Range 57 West

The first record available on this section deals with the sale of 160 acres sold in November, 1917. The certificate of patent indicates that the 160 acres sold for $10,681.21, or approximately $66.75 per acre. This appears to be a desirable portion of this section in that it was some of the best farming land available in the section.

The next record available on section 36 was made in 1924. At that time the State Board of Land Commissioners Land Appraiser made the following general statement:

> The above land is located five miles East and one-half mile North of Fort Morgan, Colorado, and is a good combination ranch and will always be in demand and will increase in value rather than decrease. The present lessee is entitled to much credit for the development of this tract of land to the point where the income to the State Public School Fund is assured. Dated 4-15-24

The State Land Appraiser further indicated that there were a total of $4, 301.00 worth of improvements on this land. In addition to these land improvements, he placed the following values: 155.3 acres (subdivision not identified) of the irrigated land, the agricultural lease being $2.40 per acre, and if sold, the sales price should be $125.00 per acre. He set 35.7 acres of dry land farm at $1.00 per acre for lease, and if sold, the sales price should be $25.00 per acre. 290 acres of grazing land at $.15 per acre, and if sold, $12.50 per acre.

As has been true with most of the public school land investigated during the course of this study, there is very little record available from the period of 1924 to the early 1960's. I could find no evidence of formal appraisals between the years just indicated. This seems to follow the pattern that has prevailed throughout this study.

In 1964, the following appraisal was made. The general statement is as follows:

> This 3/4 section is badly cut up by canal, Little Beaver Creek, highway, rough land and ditches. The old lease called for 222.75 acres of agricultural land all irrigated. Some of that was in the NW 1/4. That now is all pasture North of the new highway. There isLittle Beaver Creek that angles across the South 1/2 that makes considerable waste land for farming, but it is called pasture, which they use when convenient and wet enough to make grass (sic). There is also a canal called the Upper Platte Beaver Canal that runs across the South 1/2 of the section from West to Southwest.
>
> Most of the irrigated land is irregular shaped pieces.
>
> He has one irrigation well to supplement the river water. The land that is flat enough to irrigate is a good dark clay loam, but there is some that can be watered that is rolling that doesn't produce too

> heavy (sic). I have set the rate for the irrigated land at $4. 25 per acre, and I have set the agricultural acreage at $1. 90 per acre. If all of this land was in large pieces and as good as the best, I think it would possibly be worth a dollar more, but I am taking everything into consideration as canals, rolling land, creek, and the way it is cut up (sic) I believe $4. 25 is a fair price.
>
> There is (sic) 260 acres of pasture or wasteland in the NW 1/4 along Little Beaver Creek in the S 1/2. Some of this land is goback, some is very sandy, some quite rough. There is (sic) 10 acres of crested wheat grass growing North of new road that can be watered if sufficient water is available. It was planted before the highway was built.
>
> One reason for not farming any North of the highway is the underpass is too small to let machinery through (sic). In a normal year, They should run 20 head six months on this pasture, but this year they sold their cattle early as the grass dried up.
>
> October, 1964. State Land Board Appraiser

The present acreage being leased out of this particular section is listed at 443 acres. This discounts the 160 acres that was sold in 1917, and also there has been a right of way granted that takes up 37 acres. This was granted to the State of Colorado Highway Department for the purpose of building a new highway through this section. For the 37 acres, the State Highway Department reimbursed the State Board of Land Commissioners in the amount of $8, 818. 11. This was added to the Permanent School Fund of the State of Colorado in January of 1957.

The present use of the land is as follows: 190 acres of this section is being used as agricultural land at $4. 25 per acre per year. 253 acres of this land is being used for grazing purposes at $.40 per acre per year. This returns to the School Income Fund of the State of Colorado $908. 70 per year, and will continue to do so until the year 1975 when the lease is up for renewal.

APPRAISERS OPINION

LEGAL DESCRIPTION

Section 36, Township 4 North, Range 57 West of the Sixth Principal Meridian, except the northeast one-quarter (NE 1/4) and except rights of way for U. S. Interstate 80S and Upper Platte and Beaver Canal. Remainder estimated to be 443 acres.

LOCATION

5 miles east of Fort Morgan, Colorado, on paved U. S. Highway 34, thence one-half mile north on oiled county road to the southeast one-quarter corner. 4 miles west of Brush on U. S. Highway 34 to county road.

ACCESS

Good access to south one-half of section except there is no road on south side. The northwest one-quarter has somewhat difficult access since it is cut off from the south one-half by U. S. Interstate 80S and no road along north or west line.

SUBJECT

The balance of this section (estimated at 443 acres) is badly cut up by U. S. Interstate 80S, Badger Creek and the Upper Platte and Beaver Canal, and an irrigation ditch. There have been several rights of way granted over the years which a closer check of the title would reveal what influence they may have on value of property.

There is a small tenant house for beet workers in the northeast corner of southeast one-quarter. Along the last line of mid-point in the southeast one-quarter are good improvements consisting of 2 houses (one good), sheds, (one good cinder block machine shed with dirt floor), poor barn and other miscellaneous buildings. According to county assessor they are all assessed at $3, 910. 00 or an estimated value of $11, 170. 00. If a 30% ratio is used, it indicates their value at about $13, 000. 00 The appraiser did not inspect or value.

TERRAIN

As stated, subject is badly cut up, generally rolling with a few high crowns. Northeast corner abuts South Platte River.

Estimated breakdown would be:

Grazing	- 143 acres
Irrigated	- 237 acres
Low grade farm	- 25 acres
Waste	- 38 acres
	443 acres

ANALYSIS OF COMPARABLE SALES

It would appear that Sales No. 1 and 2 are most comparable due to ratio of grazing land and irrigated land.

Sales Nos. 3 and 4 are smaller parcels.

Sale No. 1 seems to set the lower limit of value and Sale No. 2 the higher limit of value.

Improvements were allocated out on basis of assessed value.

CORRELATION

All comparable sales included irrigation water which it is presumed subject does not have with its ownership of the land.

Also subject is badly cut up and somewhat difficult access to northwest quarter.

Subject is larger than typical irrigated or partial irrigated farms in area as noted by sales.

FINAL ESTIMATE OF VALUE

Based upon the information contained in this report with particular emphasis on the market data, it is my opinion that the market value of subject property, as of July 1, 1966, is:

1. If irrigation water included - $125.00 per acre or $55,375.00 for 443 acres.

2. If sold as dry farm - $75.00 per acre or $33,225.00 for 443 acres.

SUMMARY TABULATION OF COMPARABLE SALES

Sale No.	Date of Sale	Sale	Less Improve.	Net Land Sale	No. of Acres	Unit Price	Comments
1	3/1/65	$20,000.00	$5,000.00	$15,000.00	120 (70 irr.)	$125.00	One-half interest in well.
2	6/1/66	$54,000.00	$8,000.00	$46,000.00	240 (141 irr.)	$150.00	13 shares water.
3	4/19/66	$14,500.00	$2,500.00	$12,000.00	80 (77 irr.)	$150.00	Estate.
4	3/2/65	$20,000.00	$5,000.00	$15,000.00	80 (55 irr.)	$187.50	
5	1/6/65	$34,500.00	$5,250.00	$29,250.00	133.85 (40.85 irr.)	$218.00	8 shares Ft. Morgan Res. 8 Shares So. Side Lateral Co.

TABLE 21

Year	Plot	Sale Value	Lease Value
1917	160 acres (sold)	$66.75	
1924	155.3	$125.00	$2.40 agriculture
	35.7	25.00	1.00 dry form
	290.	12.50	.15 grazing
1964	155.3	no estimate available	4.25 agriculture
	75.7	"	1.90 dry form
	260.	"	no estimate available
*1966	all	$75.00 - $125 (see text)	

Morgan County - Section 16
Township 4 North
Range 57 West

This 640 acre section has been depleted considerably by sales over a number of years. Perhaps it is best to recapitulate the sales and then trace the history of the 121.38 acres that remain in this section.

The first sale on record predates all available appraisals. The first portion of this section to be sold was the SW 1/4, or 160 acres. This was sold on October 1, 1919, for $7,697.50, or approzimately $47.93 per acre. The next sale on record was November, 1944, when 29.37 acres was sold at $886.10, or approximately $30.17 per acre. In 1964, the East 1/2 of this section, or 320 acres, was sold at public auction. The final sale produced $35, 440.00, for an average sale price of $110. 75 per acre. It is interesting to note that this land had never been valued by the State Land Board Appraiser above $65.00 per acre on an average although the NW 1/4 had been valued as much as $80.00 per acre. 9. 25 acres must be deducted from the total acreage remaining for a right of way that was granted in the early 1960's. There remains then, a total of 121. 38 acres in this section. It is obvious from the above sales that this section has been the object of much interest from the buying public.

In 1964, this 121. 38 acres had a sales application filed against it at $100.00 per acre. This was canceled later in 1964 at the request of the party that submitted the application. No reason was given for his failure to have the land put up for sale.

The land is currently being leased and the total 121. 38 acres is being used for agricultural purposes. This means that $364.14 per year is being returned to the School Income Fund of the State of Colorado.

APPRAISERS OPINION

LEGAL DESCRIPTION

Section 16, Township 4 North, Range 57 West of the Sixth Principal Meridian except the east one-half (E 1/2) and except the southwest one-quarter (SW 1/4) and except that part of the northwest one-quarter (NW 1/4) lying south of the Riverside Canal (29. 37 acres) and 9. 25 acres for rights of way. (Estimated remainder 121. 38 acres). Morgan County, Colorado.

LOCATION

3 1/2 miles north of U. S. Highway 34 on paved State Highway 52, thence east 2 miles to a gravel road in the center of the section, thence north on the gravel county road one-half mile to the southeast corner of the northwest one-quarter.

ACCESS

Gravel county road from state highway and gravel county road on east and north. No access on west or south.

TERRAIN

The southwest one-quarter was sold in 1919. The east one-half was sold in 1964 and the portion comprising 29. 37 acres south of the Riverside Canal in the northwest one-quarter was sold in 1944. 9. 25 acres was granted as a right of way for road in 1960. The remainder is 121. 38 acres.

The north part of the northwest one-quarter above the Riverside Canal is dry agricultural land.

At date of inspection the northwest one-quarter of the northwest one-quarter was being irrigated by pipe from pump for corn and pinto beans. The northeast one-quarter of the northwest one-quarter was in summer fallow. It is presumed that irrigation water is being furnished by lessee from his own rights or well. No fence.

Basically, it must be considered as dry agricultural land.

ANALYSIS OF COMPARABLE SALES

Subject lies above the Riverside ditch as it appears that if a purchaser had water, it would be necessary to pump the water to north side. Only about one-half is suitable for irrigation even under these conditions.

Sale No. 5 abuts subject on north.

Sale No. 6 is more equal in size and classified as dry which tends to set the lower limit of value.

Without confirmation of sales it is difficult to determine whether or not these purchasers had additional water and how much water was included in the sale. However, it appears that $200.00 - $220.00 is the upper limit for irrigated and dry land with ratio of 75% and 25%.

Subject is irregular in shape due to Riverside Canal forming the south boundary.

It would appear that Sale No. 5 is not now assessed properly or some other consideration took place in the sale. Same for Sale No. 2.

CORRELATION

Considering the fact that most sales were on farms with considerable portion under irrigation.

If subject were to be irrigated it would no doubt require pumping water.

Sale No. 6 is a recent sale and appears comparable for dry farm.

It may be possible for water to be available from ditch for subject.

FINAL ESTIMATE OF VALUE

Based upon the information contained in this report with particular emphasis on the market data, it is my opinion that the market value of subject property, as of July 1, 1966, is:

$ 75.00 per acre or $9102.50, say
$9100.00, for 121.38 acres.

SUMMARY TABULATION OF COMPARABLE SALES

Sale No.	Date of Sale	Sale	Less Improve.	Net Land Sale	No. of Acres	Unit Price	Comments
1	1/13/65	$21,000.00	$5,350.00	$15,650.00	200 (154 irr.)	$ 78.25	No Reservations.
2	5/19/65	$36,000.00	$8,450.00	$27,550.00	120 (92 irr.)	$ 229.50	Riverside water and no Cons. Dist.
3	5/19/65	$32,000.00	$8,450.00	$23,550.00	120 (92 irr.)	$ 196.25	Forced sale per assessor. Resale
4	2/1/66	$27,500.00	$3,500.00	$24,000.00	80 (79 irr.)	$300.00	
5	2/2/66	$56,000.00	- 0 -	$56,000.00	280 (dry)	$200.00	Abuts subject on north. Three-fourths minerals reserved.
6	2/1/66	$10,000.00	- 0 -	$10,000.00	160 (dry)	$62.50	

East one-half of subject (320 acres) sold in 1964 for $35,440.00 at public auction -- $110.75 per acre.

TABLE 22

Year	Plot	Sales Value	Lease Value
1919	SW 1/4 (sold)	$47.93 per acre	-
1944	29.37 (sold)	$30.17 per acre	-
1960	All (appraisal)	$63.00	-
1964	E 1/2 Section 16 (sold)	$110.75 per acre	-
*1966	121.38	$ 75.00	-

Pueblo County - Section 16

Township 21 South

Range 62 West

This section is one of the fine farms in Southern Colorado. It is currently being leased by five lessees and there is evidence in the history of this section that it has always been held by four, five or six different people, all farming different areas on the section.

The first formal appraisal record at the State Board of Land Commissioners took place in April of 1964. At that time the general description of the section was made as follows:

> This section is located one mile South of Avondale, the nearest town and post office. North Avondale, two and one-half miles North, is the nearest railroad station. This section is all under cultivation and is irrigated from the Bessaemer Ditch. They raise alfalfa, wheat, beets, melons and corn on this section. The various lessees on this section are busy farming at present. Some of them are contemplating sowing more alfalfa. Most of the alfalfa is a poor stand except on the West 1/2 of the Southwest 1/4 which is good. All of the fence is old and some of it is in bad repair.

State Land Board Appraiser, April 9, 1924.

This same land board appraiser set the rental rates at $2.50 per acre in all cases on this section and the sale price was listed from $45.00 to $60.00 per acre if sold.

In 1926, the land was again appraised and the agricultural leases were listed at $2.50 per acre, and if sold, $50.00 per acre.

In 1935, a comprehensive effort was made to evaluate the improvements on each quarter section of this section. The value of the improvements ran some over $17,500.00. There are available indications that this particular section has been appraised more often than any of the other sections investigated in the course of this study. This can be attributed to the fact that this is productive farm land and has a substantial return each year to the School Income Fund of the State of Colorado. The land has been worth from $50.00 to $100.00 per acre up until 1962. In 1962, the following appraisal was made by the State Land Board Appraiser: A general description of the entire section was made and the following rental price per acre was assessed. Rental for agricultural purposes, $5.25 per acre. He also estimated that similar land had a cash value of $125.00 per acre.

In 1965, another description appears of the entire section. The following is a portion of that dexcription:

> The entire section appears to be good farm land, cash value per acre, $200.00 (sic) At present, the entire section is being farmed and well taken care of by five lessees. The five lessees pay varying amounts from $5.25 to $5.50 per acre for this farm land.

This 640 acres is currently returning $3, 383.50 per year to the School Income Fund of the State of Colorado.

LEGAL DESCRIPTION

Section 16, Township 21 South, Range 62 West of the Sixth Principal Meridian, Pueblo County, Colorado.

LOCATION

Approximately one-half mile south of Avondale on an asphalt paved road to the northwest section corner.

ACCESS

Very good. A narrow paved road on all sides of section and a farm trail road bisects the section from north to south.

TERRAIN

Basically level. Irrigated by ditch and apparently by pumped water. Soil is sandy and understood to have an underlayment of gravel.

Typical crops observed were corn, beans, sugar beets, alfalfa, cucumbers and melons.

The section has been broken up by many farm operators as witnessed by the numerous improvements.

IMPROVEMENTS

Numerous improvements of different size and quality and condition. Also several improvements obviously abandoned and in poor condition of no value.

According to the county assessor, the various lessees had improvements assessed as follows and generally meant to represent 30% of actual value:

1. $1225.00
2. $4870.00
3. $4465.00
4. $1930.00
5. $ 710.00
6. $8505.00

It was also observed that a new house was under construction in the northwest one-quarter northwest one-quarter.

It is to be presumed that the various lessees own the water rights permitting this section to be irrigated.

Therefore, it is presumed that subject should be considered as a dry farm for the purpose of this opinion.

It is understood that a share in the Bessemer Irrigating Ditch Company has a value of $275.00 to $300.00 per share. The sales used as comparables have been adjusted to reflect this value in the purchase.

ANALYSIS OF COMPARABLE SALES

Sale No. 1 is diagonally across to the southeast of subject and has a large percent irrigated land. The dry land portion may have some additional value due to the fact a gravel pit operation has been carried on in the same knoll to west.

Sale No. 2 appears to have water for hay land. Assessed as dry farm good quality. Comparable as dry - level.

Sale No. 3 is predominately dry grazing land as is true of
Sale No. 4 - more rolling land.

CORRELATION

It appears that subject is more nearly comparable to Sale No. 1 due to adjacency and in level nature of the land and comparable soil condition and the fact that all of subject could be irrigated if the water were available. Sale No. 2 has poor access to town, south of Huerfano River. Subject is level.

FINAL ESTIMATE OF VALUE

Based upon the information contained in this report with particular emphasis on the market data, it is my opinion that the market value of subject property, as of July 1, 1966, without irrigation and improvements, is:

> $80.00 per acre or $51,200.00 for 640 acres.

Note: On this section with multiple lessees evidently owning water and considerable improvements, it may be that a price would be paid in excess of its normal value if offered for sale.

SUMMARY TABULATION OF COMPARABLE SALES

Sale No.	Date of Sale	Sale	Less Improve.	Less Water	Net Land Sale	No. of Acres	Unit Price
1*	4/8/65	$66,000.00	$10,500.00	$32,000.00	$23,500.00	230 (207 irr.)	$102.00
2	10/8/64	$ 8,000.00	$ 1,500.00	$ 500.00 (est.)	$ 6,450.00	120 (none irr. but has some water)	$ 54.00
3	4/21/64	$22,000.00	$ 1,100.00	$ 930.00 (est.)	$19,970.00	486.25 (40 irr.)	$ 41.00
4	5/28/65	$75,000.00	$ 4,000.00	$29,000.00	$42,000.00	603.60 (65.76 irr.)	$ 69.60

* Previously recorded deed carried $77.00 revenue.

TABLE 23

Year	Plot	Sales Value	Lease Value
1924	Section 16	$45-60.00	$2.50
1926	Section 16	$50.00	$2.50
1962	Section 16	$125.00	$5.25 agriculture
1965	Section 16	$200.	$5.25 agriculture
*1966	Section 16	$ 80.00	

Teller County - Section 16

Township 15 South

Range 69 West

The first written appraisement on record at the State Board of Land Commissioners is dated April 10, 1918. At that time a general description of this section was made and the following values placed on the land. The general statement is as follows:

> This section is located 1/2 mile East of Cameron, a small town stationed on the CS & CCRR and Midland Terminal. Both of the railroads run parallel the South 1/2 of this section. The surface is broken by high hills South of the center of this section. Also on the Northwest 1/4 Grassy Creek runs through the Southwest 1/4 and the South 1/2 of the South 1/2. There is some tilable (sic) land on the North 1/2 and the Southwest 1/4. This is fairly good hay land. This is a good grazing section and it is well watered. Mining operations have been carried out extensively on sections 17 and 21 adjoining this land in past years but are doing very little at this date. There are some old buildings on the South 1/2 of the North 1/2 that do not belong to the lessee. They are not worth in the agrigate (sic) more than $200.00. The State highway runs through the South 1/2 Southeast 1/4 and Southwest 1/4.

The State Land Board Appraiser further placed the following values on this land: subdivision, the Northwest 1/4 grazing lease $.12, agricultural lease, $.75, sale value $10.00. On the NE 1/4, grazing lease $.12, agricultural lease $.75, sale price $10.00. SW 1/4, $.12 grazing lease, $.75 agricultural lease, $10.00 for sale price. SE 1/4, $.12 grazing lease, $.75 agricultural lease, $10.00 for sale price. The State Land Board Appraiser noted that there was $1,705.00 worth of improvements consisting of one six room dwelling, certain out buildings and fencing.

There is no formal appraisal available in the State Land Board records from 1918 until 1958. However, in 1952, the land had an application for sale filed by a Teller County rancher. At that time the land was being leased for $.15 per acre for grazing purposes. Also the land had been reduced to 612.66 acres as 17.34 acres had been granted to an electrical company for a right of way. The sales application carried a figure of $10.00 per acre for purchase of the remaining 612.66 acres. However the State Board of Land Commissioners advised in a letter dated November 5, 1952, as follows:

> Dear Sir: The board has under consideration your sales application covering the following land; Township 15 South, Range 69 West, Section 16, sale of all of this section. Because of the mineral history of this land, the board believes it inadvisable to sell same. Your application therefore has been ordered cancelled.

In 1958, the land was again described in a general statement which is similar to that which appeared in 1918. At that time, the 612.66 acres was being leased for grazing purposes at $.33 per acre, which returned $202.18 to the School Income Fund of the State of Colorado from February 1959 to February 1965. The cash value of the land if sold was quoted as being $11.00 per acre. In 1965, the lease was increased by $.07 to $.40 per acre, and the cash value, if sold, was quoted as $14.00 per acre. At the present time this section is bringing to the School Income Fund of the State of Colorado $245.06 per year and will do so until February 1975.

APPRAISERS OPINION

LEGAL DESCRIPTION

Section 16, Township 15 South, Range 69 West of the Sixth Principal Meridian, Teller County, Colorado, except that portion granted for rights of way - estimated remainder 612.66 acres.

After a check of the records for Teller County in an abstract of title office and reviewing those few transactions found during the past 2 years or more, it was determined that the subject property was of such type and location, that to render an opinion was not justified nor adequate for this purpose.

It is one that only a study in depth would warrant for revelation of its estimated value.

Those transactions which took place revealed too many other considerations are taken into account when a purchase is made. Some of these are:

1. Mineral rights and mining claims
2. Water rights
3. Surface rights
4. Access rights

It is my opinion that subject should remain in grazing land until such time as a sale is warranted or deemed advisalbe, at which time an appraisal in depth be undertaken for determination of value subject to numerous qualifications relative to perfection of the title in the purchaser.

There does not appear to be any active market for subdivision tract sales or sales of large parcels unless it is an addition to an already existing and established ranching operation.

Washington County - Section 36

Township 3 North

Range 52 West

The first written record available on this section and the first formal appraisal took place in November of 1917. At that time the following general statement was made concerning this section:

> This is a good tract three and one-half miles from town and market. Land lies well and can all be farmed. Soil sandy loam.

Further, the 640 acres was appraised as follows: the agricultural lease, \$.40 per acre; the grazing lease, \$.10 per acre, and if sold, the sale price should be \$30.00 per acre.

This section lies close to the town of Akron, Colorado, which is the town/market referred to in the above statement. In 1922, there is a statement by the State Land Board Appraiser to the effect that this section, if sold, should not be sold for less than \$65.00 per acre. He did not indicate what the land was then being leased for, nor did he indicate how many acres were being farmed. It appears from the anecdotal record found that some of the section was being used strictly for grazing. However, this cannot be verified from the record. No further formal appraisal is available on this section until December of 1956. At that time the following general statement was made:

> There is (sic) 131 acres of wheat allotment on this section. The pasture sod is good but the soil is rocky clay loam which is not too productive.

The farm land was indicated to be 455 acres, the rental rate was $2.25 per acre with a cash value of $55.00 per acre. The pasture land was listed as 185 acres, $.30 rental for grazing purposes, and $12.00 per acre cash value.

In 1962, a general description of the land was given which follows closely what has been described previously. The following values, however, were indicated: agricultural land, 455 acres, $2.25 per acre, and $60.00 per acre cash value; grazing 185 acres, $.40 rental per acres, no cash value listed. Also listed by the appraiser are $11,525.00 of improvements upon the land which is owned by the lessee. This includes a dwelling, steel graineries, chicken houses, and other outbuildings.

It is interesting to note that although this section is listed in the lease currently held as 640 acres and in all the records as 640 acres, there was an office memo available in the records made on May 2, 1952 which reads as follows:

> A study of the aerial photographs of Section 36, Township 3 North, Range 52 west, indicates that the section contains only 601.29 acres of which 476 acres are farm land; as of the date of the photographs (sic). The shortage is evidently due to an error in the original survey and cannot be corrected now. The lessees should be written accordingly.
>
> Respectively submitted,
>
> Associated Engineer, State Board of Land Commissioners.

The investigator can find no record that this memorandum has ever been acknowledged to the lessees. The land is currently being leased as a full 640 acres, agricultural privileges granted on 455 acres and a grazing lease on 185 acres. To date, this brings a total revenue of $1,097.75 per year to the State School Income Fund.

TABLE 24

Year	Plot	Sales Value	Lease Value
1917	Section 36	$30	$.40 agriculture .10 grazing
1922	Section 36	$65.00	no estimate available
1956	Section 36	$55 $12 grazing	$2.25 agriculture .30 grazing
1962	Section 36	$60 no estimate available	$2.25 agriculture .40 grazing
*1966	Section 36	$100	

APPRAISERS OPINION

LEGAL DESCRIPTION

Section 36, Township 3 North, Range 52 West of the Sixth Principal Meridian, Washington County, Colorado.

LOCATION

3.7 miles east of Akron, Colorado, on asphalt paved Highway 34 and 1.7 miles north on a graveled county road.

ACCESS

Very good. Narrow graveled county road on all four sides.

TERRAIN

Typical of area surrounding. . Gently rolling with a few higher knolls.

Currently farmed - wheat, grain, millet and pasture. Pasture land fenced. The estimated land usage is currently 460 acres in farm and 180 acres in pasture land.

There is a set of improvements on subject consisting of a stucco bungalow style house, garage, machine shed, 2 steel grain storage bins and 2 other miscellaneous buildings. These were not inspected. The assessed value of improvements (on leased land) is $1590.00 or estimated $5300.00 actual value according to assessor's records.

In the section to the north are several producing oil wells. It is understood production has fallen off the past few years.

The estimated value of subject section will be based on presumption that it contains 640 acres.

ANALYSIS OF COMPARABLE SALES AND CORRELATION

Sale No. 1 appears low, may be possibly due to allocation of too much value to improvements and also this appears to be somewhat of a family transaction. 160 acres.

Sale No. 2 is of current date. However, it is a better farm due to use as farm and no grazing land. Estate sale. More level than subject. Located diagonally across southeast from subject southeast section corner. Only 160 acres.

Sale No. 3 is most comparable to subject in that approximately one-third of it is also in grass. 320 acres .

Sale No. 4 comparable in size. Better since it has only 30 acres in grass, rest farm.

FINAL ESTIMATE OF VALUE

After an analysis of the sales and assessed values, the estimated value of subject is $100.00 per acre or $64,000.00 as of July 1, 1966, assuming 640 acres in this section, without improvements.

SUMMARY TABULATION OF COMPARABLE SALES

Sale No.	Date of Sale	Sale	Acreage	Unit Price	Comments
1	1/21/63	$13, 250.00 (adjusted)	160	$ 84.00	Better, more farm, possible family transaction.
2	1/26/66	$18, 400.00	160	$115.00	Better - all farm land, level. Estate sale. No improvements.
3	9/8/64	$30, 000.00	320	$ 93.00	One-third grass - no improvements. Similar to subject.
4	4/22/63	$80, 000.00	641.47	$125.00	All farm except 30 acres grass.

Washington County - Section 16

Township 2 North

Range 50 West

This section is located on the Eastern plains of Colorado near the town of Otis, Colorado. The first appraisal of this land was in December of 1921. At that time the following general statement was made:

> The above section adjoins the town of Otis and the main line of the C. B. & Quincy Rail Road cuts through the North line of the section which furnishes the best of shipping facilities and owing to this land laying right up against the town where the North East quarter may soon be needed for homes in the growing and progressive town of Otis the Board might do well to reserve the North East quarter and exclude it from sale for it is reasonably sure to quadruple in value at no distant time (sic). The N. E. 1/4 is relatively smooth and level and will always be worth the above money for farming purposes.
>
> The N. W. 1/4, is somewhat rolling and undulating but it is safe to say 3/4 of this 1/4 can be farmed and on account of it laying right close up to town and shipping facilities will never be worth less than the above price and if it should it will only be temporary (sic).
>
> The S. W. 1/4 lays quite smooth and level and is all good agricultural land and if well farmed will raise abundant crops of wheat, corn, sorghum and millet and has all the advantages of being close to town, school and shipping point.
>
> The S. E. 1/4 is the most rolling of any of the quarters but I think at least half of this quarter can be farmed and the other half is exceptionally good grazing land and has one of the finest wells in that section of the country located on a mound from which water can be piped to the house affording gravity presure (sic) from any kind of a tank setting on the ground requiring no other elivation (sic).
>
> I would recommend that if any part of this section is sold, that the N. W. 1/4 and all of the South 1/2 be sold or none. The N. E. 1/4, the state can well afford to hold and in my judgement should hold.
>
> Inspected Dec. 14, 1921

The "above" prices that the appraiser refers to in his comments were as follows:

Plot	Sales Price	Agr. Lease	Grazing Lease
NW 1/4	$32.50	$1.00	$.21
NE 1/4	$50.00	$1.00	$.21
SE 1/4	$25.00	$1.00	$.21
SW 1/4	$40.00	$1.00	$.21

There is little information available on this plot from 1921 until 1956. There are no appraisals on file at the land board and no sales application has ever been filed on the section.

In 1956, the following values were placed on this land:

Farm land	237 acres	rental	$2.50	sales	$80.00
Grazing	384.96 acres	rental	$ .40	sales	$16.00

A six year lease was granted at the above rates and the School Income Fund received $846.48 per year from 1956 to 1962.

In 1962, a new 10 year lease was applied for by the current lessee. The sales price of the land remained the same but the appraiser felt that the grazing portion of the lease should be raised from $.40 to $.50 per acre. The lessee agreed to this price and the lease now returns $784.98 per year to the School Income Fund. It is interesting to note that the President of the Board would not sign this lease because the grazing rent was increased from $.40 to $.50 per acre. His comments as follows appear both on the lease and the Board Order: "I do not care to sign this lease as I do not think a 25 percent increase in rental is in order. A. M. Ramsey"

There are also $17,500.00 worth of improvements on this farm.

APPRAISERS OPINION

LEGAL DESCRIPTION

Section 16, Range 2 North, 50 West of the Sixth Principal Meridian, Washington County, Colorado, except those portions previously deeded from subject section.

LOCATION

Located abutting the southwesterly corner of the town of Otis, Colorado; south of and abutting the Burlington Railroad line, and abutting State Highway 61 on the east. There is a grain elevator on the northeast corner of the section on private land.

ACCESS

Very good. Lies immediately west of State Highway 61, which is asphalt paved; graveled county road on the south. The west side has access only by a trail road on the adjoining property . There is also a trail road on the north adjoining property (probably railroad right of way).

TRENDS

There does not appear to be any rapid development to the town of Otis. Its present use as a farm, even the northeast one-quarter, appears to be the highest and best use.

Note

#1. An electric transmission line crosses subject from approximately the northwest section corner to the mid-point on the east, north-south section line.

#2. A portion of the northeast one-quarter section was sold off some years back.

a. An estimated 1 1/2 acres was deeded to the Otis Elevator Company - Book 148 at page 193, Washington County records. The assessor's office lists their lands as 436 square feet and 1.7 acres, Nebraska City Grain Company. Assessor has 4.04 acres assessed at $100.00 value; 1.7 acres at $70.00 and 436 square feet to Nebraska City Grain Company at $20.00.

b. An estimated 3.76 acres was evidently deeded to the C B & Q Railroad.

A closer check of the records will reveal these transactions and any discrepancy with the assessor's office.

#3. There is a good set of improvements located on subject land and valued at $1565.00 assessed value or approximately $5200.00 actual value.

SUBJECT

Other than as noted, subject is in either farm or grazing land, roughly

Southeast one-quarter - grazing - 180 acres
Southwest one-quarter - farm - 140 acres
Northwest one-quarter - grazing - 160 acres
Northeast one-quarter - farm - 150 acres (160 less estimated sales)

630 acres estimated remainder.

There are two ponds evidently deriving their source from run off. One is in the southeast one-quarter and a smaller one in north-west one-quarter of southwest one-quarter.

A windmill is located south of the improvements in the southeast one-quarter. Appears to have electric pump.

The land appears to be farmed to its fullest extent under present usage. Some land should probably be returned to grass. It is gently rolling with two small higher knolls in the grazing land.

ANALYSIS OF COMPARABLE SALES

Sale No. 1 Located one-half mile south. On same side road.
Similar Land - 480 acres.

Assessed value -	150 acres - farm -	$1600.00
	330 acres - grass	$1320.00
	Improvements	$1800.00
	Total	$4720.00

Sale - $33,760.00 - (Rev. indicates - $33,500.00)
deduct $6,000.00 for improvements
$27,760.00 land $58.00 acre.

Sale No. 2. Located 1 1/2 miles south on east side of Highway 61.

Assessed value	172 acres - farm	-	$1370.00
	1108 acres - grass	-	$4150.00
	1280		
	Improvements	-	$1640.00
	Total		$7160.00

Sale - $30, 500.00 plus loan assumed estimated $36, 500.00 equals $67, 000.00.
Assume improvements - $3500.00 = $63, 500.00 land.
$63, 500.00 divided by 1280 acres = $50.00 acre.

CORRELATION

Only 2 sales were recorded in immediate area.

The unpaid balance of loan assumed on Sale No. 2 was not available so it was assumed to have followed the amortization called for in Deed of Trust and estimated to be $36, 500.00.

In each case the improvements were allocated out on the basis of assessor's estimate of value.

They indicate a sale of $50.00 to $58.00 per acre for the land. Each sale indicates a higher percentage of grass to farm land. However, each has improvements allowing each to be owner occupied. Also, there may be a portion of subject land which should be returned to grass thereby increasing its ratio to farm land.

FINAL ESTIMATE OF VALUE

Based upon the information contained in this report with particular emphasis on the market data, it is my opinion that the market value of subject property, as of July 1, 1966, is:

> $50.00 per acre based on estimated 630 acres remainder equals $31, 500.00 without improvements.

TABLE 25

Year	Plot	Sale Value	Lease Value
1921	NW 1/4 NE 1/4 SE 1/4 SW 1/4	$32.50 50.00 25.00 40.00	$1.00 agriculture .21 grazing
1956	237 acres 384.96	$80.00 16.00	$2.50 agriculture .40 grazing
1962	237 acres 384.96	$80.00 16.00	$2.50 agriculture .50 grazing
1966	Section 16	$50.00	

Weld County - Section 16
Township 5 North
Range 64 West

This section is located near Kersey, Colorado, and is a very fine farming area. The section runs right up to the community of Kersey on the North and is currently being farmed by two individuals. It has, over the years, produced substantial revenue to the school funds of the state and is currently producing $1,664 per year.

This section has been reduced by 80 acres. In 1917, the N 1/2 of NW 1/4 was sold at auction for $2,000.00, or $24.00 per acre. The following account will deal with the remaining 560 acres.

With the exception of the above sales, little is available in the records at the land board to show the activity and return before the year 1924. In 1924, the State Land Board Appraiser made the following report:

> The above land is very desirable for agricultural use and is covered by one of the old and reliable ditches and supplimented by reservoir rights of the same name and when they quit farming this land it has a speculative value for town lots and small acres for homes. I think the states interests will be well guarded if this land is held for future growth and development as the town of Kersey grows, so will this land (sic).
>
> Inspected June 9th, 1924
>
> This appraiser also noted the following values:
>
> Agricultural lease, $2.50; grazing lease, $.15; sale price, $175.00 for farm land and $25.00 for grazing land.
>
> Also, $3,224.50 in improvements were noted, mostly in water rights.

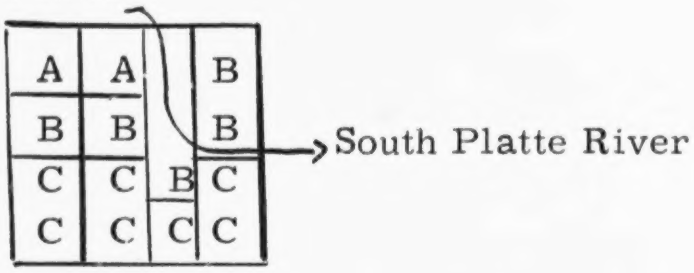
The next appraisal was noted in May of 1935 and land values reflected here presumably were influenced by the depression years of the early and middle thirties. Agricultural lease $2.00 per acre, grazing lease $.12 per acre, and sale price $50.00 per acre. The same $3,224.50 in improvements were noted. No general statement was made by the appraiser as to the income at this time. However, he did note that this is "a very good farm, one of our best'.

An application for sales on N 1/2 of NE 1/4 was made in 1950. This is the next available record which gives information on this section. This sales application was apparently made to gain control of the South Platte River which flows through these two 40 acre plots. The sales price offered was $8.00 per acre, but the appraiser recommended that the starting figure should be $50.00 per acre. The sales application was cancelled shortly thereafter.

In 1952, another sales application was filed against a portion of this section. (NW 1/4 and SE 1/4 NE 1/4) The sales price offered was $35.00 per acre. This again was apparently designed to gain control of a portion of the South Platte River.

There is evidence to indicate that other attempts were made to buy small portions of this section. This illustrates one of the problems that has been created over the years in the State of Colorado. In past years it was the practice to sell off all or portions of sections that were the most desirable. This has meant that a portion of a section that had water or some other physical feature that made it worthwhile to own, was sold without regard to the rest of the section or surrounding land. This has had the undesirable effect of depreciating land that could be much more valuable at the present time.

The first clear picture of the value of this section and its potential as a stable source of income for schools appears in 1958. At that time the first complete appraisal covering the full 560 was made. This is the first one on record at the land board.) In the diagram that follows is shown the division of the two farms that now exist, the private land, and the South Platte River.



A - private land sold in 1917 for $25.00 per acre
B - farm returning $768 per year to school funds (1966)
C - farm returning $936 per year to school funds (1966)

The general statement made by the appraiser at this time deals mostly with the topography and location of irrigation ditches and the like. However, the significant fact is that an equitable return to the school fund is clearly established. The following revenue return is quoted:

Farm A: Agricultural lease, 140 acres, $4.50 per acre
Grazing lease 140 acres, $.35 per acre
Total - $697.00
No sale price quoted

Farm B: Agricultural lease, 200 acres, $3.50 per acre
Grazing lease 80 acres, $.50 per acre
Total - $740.00
Appraised value - $105.00 per acre

In March of 1964, an application for sales was filed against all of the 560 acres in this section. The quoted offer is as follows:

sold		30	30
200	200	30	30
200	200	150	90
200	200	70	70

The sales application was withdrawn a few months later by the intended buyer. The reason stated by the buyer was that the improvements on the land were too costly. The improvements over the years on this section have been extensive and are as follows:

The improvements on the farm referred to as farm C have been appraised at $58,545.00.

The improvements on farm B have been appraised at $36,000.00, $30,510.00 of which are water rights, ditches and wells. If these farms are ever sold, the improvements money will go to lessee and not to the school fund. Only the revenue from the land itself would accure to the school fund.

The section is currently yielding $1,664.00 per year in agricultural and grazing leases.

There are six acres in the Southeast corner of the section that are being used by the town of Kersey, Colorado for a sewage disposal system. There are no records available to indicate if Kersey is paying for the use of this six acres.

TABLE 26

Year	Plot	Sale Value	Lease Value
1917	N 1/2 NW 1/4	$25.00	
1924	560 acres	$175.00 agriculture 25.00 grazing	$2.50 agriculture .15 grazing
1935		50.00 agriculture no estimate available	2.00 agriculture .12 grazing
1958	Farm B (see text)	$105.00 per acre	3.50 agriculture .50 grazing
1966	560 acres	$190.00 per acre	-

APPRAISERS OPINION

LEGAL DESCRIPTION

A portion of Section 16, Township 5 North, Range 64 West, the area of which is indicated as being 560 acres.

LOCATION

The subject property is located north and immediately adjoining the town of Kersey, Colorado on asphalt paved U. S. Highway 34.

ACCESS

In addition to fronting onto a major U.S. Highway the subject property enjoys paved access (extension of First Street, Kersey, Colorado - County Road) along the westerly section line. Thus the subject property is considered to enjoy excellent access.

TERRAIN

The photographs illustrate the terrain in the subject property. viz., level, desirable agricultural land in the S 1/2 NW 1/4 , the SW 1/4, the W 1/2 SW 1/4 NE 1/4, the NW 1/4 SE 1/4 and the SW 1/4 SE 1/4 except the S 1/2 Sl/2 SW 1/4 SE 1/4. Thus approximately 330 acres of the subject property is considered to be desirable agricultural land. The N 1/2 NE 1/4 or 40 acres is located along the South Platte River and is unsuitable for farming purposes. The SE 1/4 NE 1/4 NE 1/4, the E 1/2 SE 1/4 NE 1/4, the El/ NE 1/4 SE 1/4, the E 1/2 SE 1/4 SE 1/4, the S 1/2 SW 1/4 SE 1/4 and the S 1/2 SE 1/4 SE 1/4 or 85 acres is considered to be suitable for grazing. The balance, or 105 acres, serves as a buffer between the previously described classifications and is considered marginal farming land. The value estimates which follow are predicated upon the aforementioned land classifications.

ANALYSIS OF COMPARABLE SALES

Ten comparable sales were used to develop value indications for the previously discussed land classifications. The comparable sales developed value ranges of from $250 to $434. 78 per acre for the desirable agricultural land in the subject, value ranges of from $75 to $106. 25 per acre for the marginal agricultural land in the subject and value ranges of from $35 to $46. 87 per acre for the grazing lands in the subject ownership.

It should be noted that the desirable agricultural land in the subject has been substantially improved with farm residences, outbuildings, fences, etc. and that water rights, ditches and wells are present. Inasmuch as these are property of the lessee the improvements, water rights, ditches, etc. have not been inspected nor are they included in the value estimates.

ESTIMATE OF VALUE

The favorable terrain of a majority of the subject ownership, its desirable proximity to the City of Greeley and the town of Kersey, and the excellent access to the subject property indicates that the value of the subject property lies at the upper range of the value indications for the land classifications described. Thus the value of the desirable agricultural land, excluding the improvements, etc., is estimated at $275 per acre, the value of the marginal agricultural land is estimated at $100 per acre, the value of the grazing land is estimated at $45 per acre and the value of the South Platte River lands is estimated at $25 per acre.

Related to the various land classifications in the subject property the following values are indicated:

Desirable Agricultural Land	
330 acres @ $275 per acre =	$ 90,750.
Marginal Agricultural Land	
105 acres @ $100 per acre =	$ 10,500.
Grazing Land	
85 acres @ $45 per acre =	$ 3,825.
South Platte River Lands	
40 acres @ $25 per acre =	$ 1,000.
Total Value Indication	$106,075.
Rounded to	$106,400.

Based upon the foregoing data and analysis, it is my opinion, based upon comparison, the market value of the subject property as of July 1, 1966 is properly expressed as follows:

560 acres @ 190 per acre = $106,400.

SUMMARY TABULATION OF COMPARABLE SALES

Sale No.	Sale Date	Sale Price	Allocated Land	Allocated Impr.	Net Land Sale	Acreage	Sale Price per Acre
7	1/63	$65,000	$30,000	$35,000	$30,000	80	$375.00
8	5/64	$20,000	$20,000	-	$20,000	80	$ 26.00
9	1/65	$55,000	$50,000	$15,000	$50,000	115	$434.78
10	6/64	$33,500	$21,000	$12,000	$21,000	80	$262.50
11	3/65	$37.500	$34,000	$ 3,500	$34,000	320	$106.25
12	11/64	$28,500	$28,000	$ 500	$28,000	80	$ 35.00
13	5/63	$50,000	$50,000	-	$50,000	640	$ 78.12
14	1/62	$24,000	$24,000	-	$24,000	320	$ 75.00
15	1/62	$24,000	$24,000	$10,000	$24,000	320	$ 43.75
16	6/65	$15,000	$15,000	-	$15,000	320	$ 46.87

Weld County - Section 36

Township 6 North

Range 62 West

This section is typical Western prairie land, 40 to 50 miles East of the mountains. It has been used as grazing land since it was granted to the state and it is probably safe to assume it will remain as grazing land in the future.

The first appraisal on record for this section was in March, 1922. At that time the State Board of Land Commissioners Appraiser made the following report:

> This is a very good grazing section but not to be considered from (sic) an agricultural section as it is nothing but sand and if plowed would only blow away. In fact, it is too rolling for farm land anyway. I would recommend that this land be sold all or none.
>
> March 31, 1922

The appraiser further noted:

Plot	Sales Price	Grazing Lease	Agricultural Lease
NE 1/4	$7.00	$.10	none
NW 1/4	$7.00	$.10	none
SW 1/4	$7.00	$.10	none
SE 1/4	$7.00	$.10	none

$900.00 in improvements mostly in fence and well.

No other appraisals are avilable until 1958. In 1958 the land appraiser made the following evaluation of section 36:

Grazing Lease	Cash Value Per Acre
$.35 per acre	$17.50

The general statement consist of a brief description of the topography. From this description, it is apparent that the limiting factor in terms of revenue from this section is water. There is only one well on this section and it is located in the NE 1/4.

In 1960, an application for sales was filed against the NE 1/4 of this section where the water is located. The price offered was $22.00 per acre. The State Board Appraiser suggested that this 160 acres not be sold because it is the only water on the section. He further suggested that if he took all of section 36, the board would offer the whole section at $25.00 per acre. This was an average sale price as the 160 acres with water would have a starting price of $35.00 per acre. The applicant did not wish to purchase the whole section and the sales applications was canceled.

The history of the lease for grazing reveals a steady if not rapid increase in lease and has risen from $.10 in 1922, to the present lease of $.42. This has meant an increase over the years from $64.00 income to the present $268.80. The land is still being used for grazing and this probably will continue to be its highest and best use.

TABLE 27

Year	Plot	Sale Value	Lease Value
1922	Section 36	$ 7.00 per acre	$ .10 grazing
1958	Section 36	17.50	.35 grazing
a 1960	NE 1/4	22.50	--
1960	Section 36	25.00	--
	NE 1/4	35.00	--
1966	All	40.00	--

a - based on sales application

APPRAISERS OPINION

LEGAL DESCRIPTION

Section 36, Township 6 North, Range 62 West.

LOCATION

Approximately seven (7) miles northeasterly of Hardin, Colorado and/or six (6) miles southeasterly of Cornish, Colorado or about four (4) miles directly north of Riverside Reservoir.

ACCESS

Access to the subject property is gained via a gravel surfaced county road northerly from U. S. Highway 34 easterly of Greeley, Colorado or a gravel surfaced county road easterly then southerly from Carnish, Colorado. Two gates seperate the subject section from the gravel county road one mile north. An infrequently traveled trail provides access from the county road to the subject section. A closer check on the title might reveal the legality of the gates and the fencing of the adjoining properties.

TERRAIN

Generally rolling sand hill pasture with high crowns bisected by a rather wide swale which flows into Riverside Reservoir. A well is located in the NE 1/4 and several outbuildings, loading pens, etc. were observed. It is difficult to ascertain whether or not any of the improvements are located upon the subject section.

ANALYSIS OF COMPARABLE SALES

Two factors are worthy of note in the analysis of the comparable sales.

1. The prices paid for similarly located properties have increased over the past six years.

2. As the size of the unit increases the price per acre decreases.

All of the comparable properties are larger than the subject property which would indicate a higher unit price for the subject parcel. However the comparable properties enjoy more favorable access than the subject property and, generally speaking, the terrain is more favorable than the subject parcel. Sales 2 and 3 which generally adjoin the subject parcel are considered most comparable. These sales indicate that the value of the subject property should fall within the $40 to $45 per acre range.

ESTIMATE OF VALUE

The fact that the subject parcel is one mile removed from a county road and that an informed purchaser indicated an opinion of a price of $40 per acre in May, 1963 for land surrounding the subject property would indicate that a similar unit price is applicable to the subject parcel. Furthermore, the purchaser of Sale 2 is considered to be the most likely purchaser of the subject parcel because this would allow him to join his ownership on the north of the subject property with that southeasterly of the subject property.

The purchaser of Sale 3, a portion of which directly adjoins the subject property on the south, indicated an opinion of the value of his property at a price of $44.73 per acre in January, 1961. The proximity of his purchase to the subject property indicates that he also may be considered a likely purchaser.

Based upon the foregoing data and analysis it is my opinion, based upon comparison, the market value of the subject property as of July 1, 1966 is properly expressed as follows:

640 acres @ 40 per acre = $25,600.

SUMMARY TABULATION OF COMPARABLE SALES

Sale No.	Sale Date	Sale Price	Allocated Land	Impr.	Net Land Sale	Acreage	Sale Price per Acre
1	11/60	$168, 600	$157, 500	$11, 100	$157, 500	5, 200	$30. 28
2	5/63	$185, 000	$179, 200	$ 5, 800	$179, 200	4, 480	$40. 00
3	1/61	$185, 000	$170, 000	$15, 000	$170, 000	3, 800	$44. 73
4	12/65	$700, 000	$650, 000	$50, 000	$650, 000	19, 400	$33. 50
5	8/61	$900, 000	$833, 400	$66, 600	$833, 400	21, 000	$39. 68
6	1/63	$ 170, 000	$157, 200	$ 12, 800	$157, 200	2, 760	$56. 95

Yuma County - Section 36

Township 4 South

Range 46 West

This section is located in the dry land farming area in the Eastern plains of Colorado. It is nine miles Northeast of the small farming community of Kirk, Colorado. As is true with many of the other sections, there is no comprehensive appraisal of this land available. The first record available in the general file from the appraisal file of the land board was dated April 13, 1937. At that time, the land lay idle. Much of this land in this particular area laid idle during the depression years, from 1932 to about 1938. In 1937, there was a lease application filed on this section and the following general statement was made concerning it:

> This tract of land lies about nine miles Northeast of Kirk, Colorado. There is a draw passing through the Northwest corner of the land. In fact it almost cuts off the Northwest section of the land. This position of the section has never been farmed, but the rest of the section has been farmed for a number of years. Robert H. Harris of Kirk, Colorado held a lease on it, and is delinquent. He has paid for some of the fence which constitutes the improvement of this section. Due to drought conditions he has become delinquent in his rentals and cannot lease this section any longer. C. C. Wingfield of Fort Lupton has filed lease application C. 6717 on this section. Generally speaking, the land is tight with sufficient moisture and would raise good crops of wheat or corn. Sell all of this land or none.

The land appraiser further placed these values on the land. The grazing lease, $.08, agricultural lease, $.50. If the land were sold, it should be sold at $12.50 per acre. The number of acres under the $.08 and $.50 grazing and agricultural leases was not delineated.

In 1959, the following appraisal was made of section 36 in this area:

> The farm land in section 36, 4 South, 46 West is very good wheat land. It is practically all level with deep clay loam soil. The pasture land is rough with a deep draw running through it. All the pasture land has a deep slope. The farm land in section 36 isn't fall wheat and wheat stubble. The pasture land has a good dense sod of gramma grass and buffalo grass.

He further placed the following values on this land: The agricultural land consisting of some 400 acres, the rental price per acre should be $2.50, the cash value per acre $80.00 if sold. The grazing land in this section, approximately 240 acres, should have a rental price of $.50, cash value per acre if sold, $32.50.

In 1959, section 36 was being leased as a part of 2,559.57 acres held by the same lessee. The 400 acres within this section are a part of 1,040 acres within this total lease on which agricultural privileges are granted. This total lease brings into the School Income Fund of the State of Colorado some $3,619.79 per year.

The 1965 appraisal was gone over carefully and remains essentially the same as the lease granted in 1959. The lease however, is for a 10 year period, 1966 to 1976. The same figures are available for 1965 as were available in 1959 and the income still remains $3,619.79. This of course is subject to reappraisal at the end of the first five years of the 10 year lease.

APPRAISERS OPINION

LEGAL DESCRIPTION

Section 36, Township 4 South, Range 46 West of the Sixth Principal Meridian, Yuma County, Colorado.

LOCATION

Ten miles southwest of Idalia, Colorado, on paved State Highway 102 and U. S. Highway 36.

ACCESS

Excellent. Abuts paved state and federal highway on the south. Gravel county road on east and west. No road on north side.

TERRAIN

The agricultural land on south and east lays well, being fairly level. The rest of the land is quite rolling and has a draw in the center of west one-half of section becoming quite adverse in northeast one-quarter.

The farm land is in the southeast one-quarter of southeast one-quarter and northeast one-quarter of southeast one-quarter and southwest one-quarter. The estimated 40 acres in the northwest one-quarter of southwest one-quarter should probably be returned to grass.

In the northeast corner of northeast one-quarter northeast one-quarter is a well and windmill; also a metal grain bin together with a boxcar-type grainery or tool shed. The rest is in sod pasture.

Estimated 400 acres farm and 240 acres pasture. Estimate 40 acres should be returned to pasture.

The north fence is not on the section line and is not straight. Supposedly there is another well on subject in the center of the section.

ANALYSIS OF COMPARABLE SALES

Sale No. 2 was not used since it is obvious that it is not comparable.

Sale No. 1 sold at 7.72 times assessed value. According to an informed source and after inspecting this sale, it appears to be a better piece of land since such a small portion is in grazing. One-half of this land is directly north and abuts subject on north and diagonally to northwest. Sale $120.00 per acre.

Sale No. 3 is a larger tract and is located in several parcels. Sold for 9.6 times assessed value including improvements. Estimated sale after abstracting improvements was $117.00 per acre.

CORRELATION

Both comparable sales are within a narrow sale range of price per acre. Each includes improvements which were abstracted out.

FINAL ESTIMATE OF VALUE

Based upon the information contained in this report with particular emphasis on the market data, it is my opinion that the market value of subject property, as of July 1, 1966, is:

> $90.00 per acre or $57,600.00 for 640 acres.

SUMMARY TABULATION OF COMPARABLE SALES

Sale No.	Date of Sale	Sale	Less Improve.	Net Land Sale	No of Acres	Unit Price
1	6/6/64	$ 80,000.00	$3,500.00	$ 76,500.00	640	$120.00
2	8/10/59	$ 7,000.00	- 0 -	$ 7,000.00	320	$ 21.87
3	9/24/62	$119,300.00	$1,300.00	$118,000.00	920	$117.00

TABLE 28

Year	Plot	Sales Value	Lease Value
1937	Section 36	$12.50	$.50 agriculture
1959	Section 36	$80.00 32.50	$2.50 agriculture .50 grazing
1966	Section 36	$90.00	-

Yuma County - Section 16
Township 5 North
Range 48 West

The first description of Section 16, Township 5 North, Range 48 West appears in 1921. At that time the land was being leased for about $.85 per acre and used largely for grazing purposes, although there was some mention in a hand-written record that indicated that some 75 acres may be under agricultural use. At that time, this description was given of the tract:

> This is a very poor section; has a hog back and a magnesium stone ridge. About the center of the section from East to West, a large bluff in the Southwest 1/4 and the balance is very rough land (sic). About 200 acres in pasture can be farmed. The four North 40's are really the only desirable land. The land begins to rise rapidly in the Southerly direction to a high rocky ridge. There is also a high bluff on the Southwest 1/4 and a sand draw through the South 1/2 of this section. Land value, all that can be plowed or about 200 acres scattered over this section, is $10.00 per acre as follows: four North 40 acres tracts are level farm land. About 20 acres in the East 1/2 of the Southeast 1/4 and about 20 acres in the Southwest 1/4 Southwest 1/4, although the plow is very liable to come in contact with rock (sic) Balance of the land is fit only for grazine.

He further indicated that if the land were to be sold it should be sold as follows:

Plot	Sale Price
NE 1/4	$8.00 per acre
NW 1/4	8.00 per acre
SW 1/4	7.00 per acre
SE 1/4	6.50 per acre

and stipulated that either sell all of the section or sell none of it. He did not indicate what he thought the land would bring in terms of a lease, however, this section was carrying at this time a $.085 per acre lease.

In March of 1931, the State Land Board Appraiser again visited this section but only appraised the East 1/2. Apparently this appraisal was for the purpose of describing the land as opposed to placing any values on it. The map simply indicates the topography where the homes are located and what the land is being used for. No values were placed.

In 1933, the State Land Board Appraiser again visited this section. However, he only appraised the Northwest 1/4. This section was appraised in pieces more so than any other that has been investigated during the course of this study. In the general description, the only values that were placed on the land were $.08 and this is the NW 1/4 of Section 16, a grazing lease being $.08 and the agricultural lease being $.75. If the section was sold in 1933, the starting price should have been $15.00 per acre for this 40 acre tract. No reason or explanation is given as to why only the NW 1/4 was appraised.

In 1936, the SW 1/4 of Section 16 was appraised. Again no explanation as to why only a quarter of the section at a time was being appraised. The general description was a simple sentence stated thusly: "Just a piece of dry land, quite rough. It has been farmed sometime in the past but it is best for pasture now." The following values were placed on it: "should have a $.10 grazing lease, $8.00 if sold." Apparently this section lay idle from 1933 through the dry years and depression years, and was not leased until the early 40's. From the appraiser's file the following comment was found:

> Examination of the SW 1/4 of Section 16, Township 5 North, Range 48 West, made on May 8, 1936, shows no chance of securing a lease.

The next appraisal that is available on this section was made in February of 1956. At that time the East 1/2 of the section was appraised. In the East 1/2 of this section, 60 acres were being farmed and rental price for the agricultural land was $2.25 per acre. 260 acres were being used for grazing purposes and the rental price was $.40 per acre. The appraiser further stipulated that if the land were sold it was to be offered at a minimum price of $20.00 per acre.

One year later this same East 1/2 was appraised by the same land board appraiser, and the rental price for the agricultural land and grazing land were exactly the same. However, the cash value listed here was $60.00 per acre for the agricultural land and $16.00 for the grazing land.

The investigator could find no explanation as to why the one year appraisals were made on the East 1/2 and further could not find any reason why the discrepancy in the cash value per acre existed.

The East 1/2 of this section was being rented from 1958 to 1964 for the following values: 60 acres of agricultural land at $2. 25 per acre per year and 260 acres grazing at $. 40 per acre per year returning to the School Income Fund $239. 00 per year for the years 1958 to 1964.

This same year (1957) the West 1/2, 205 acres, was being used for grazing purposes at $. 40 per acre and 115 acres were being farmed at $2. 25 per acre. This returned $340. 75 per year between the year 1956 to 1962.

In 1963, the East 1/2 was again appraised for leasing purposes. The 60 acres were being leased for $2. 25 per acre, the 260 acres of grazing land for $. 48 per acre and the cash value per acre was listed at an average of $30. 00 if sold. Each year, the East 1/2 will return to the School Income Fund of Colorado, $259. 80 from the years 1964 to 1974 when the land will again be appraised for leasing purposes.

The West 1/2 was also appraised and the following values were available: The agricultural land or 115 acres in the West 1/2 of the section; rental price, $2. 25 per acre; the grazing listed at 205 acres at $. 50 per acre with a cash value of $70. 00 per acre for the agricultural land and $16. 50 cash value for the grazing land. This realized $361. 25 per year from the years 1962 to 1972.

It is interesting to note that the rental price on the grazing acreage was raised by the State Land Board Appraiser from $.40 to $.50 per acre. The President of the State Land Board Commissioners wrote the following comment on the lease:

> This lease was raised 25 percent from $.40 to $.50. I do not care to sign this lease.
>
> A. M. Ramsey
> President, State Land Board Commissioners

The combined income from this section now is $621.05 each year to the School Income Fund of the State of Colorado. The land is still being used for a combination of grazing and agricultural purposes.

APPRAISERS OPINION

LEGAL DESCRIPTION

Section 16, Township 5 North, Range 48 West of the Sixth Principal Meridian, Yuma County, Colorado.

LOCATION

16 miles north of U. S. Highway 34 at Yuma, Colorado, on paved State Highway 59, thence 1 mile east, thence 3 miles north, thence 1 mile west on county road to southeast corner of subject.

ACCESS

Gravel county road on south side. Poor narrow county gravel road on west. Apparent abandoned county road right of way on east and north affording only good access to improvements on north from west road.

TERRAIN

Southeast one-quarter grazing. South one-half of southwest one-quarter wheat and summer fallow that is quite overrun with weeds and washing gullies badly in places. About 5 acres in southwest corner in grass due to wash, and portion of southwest corner fenced off due to deep cut for county road. The grazing land is very rolling, some barren knolls and deep washes. A portion of northwest one-quarter of northeast one-quarter in wheatland and summer fallow. The bulk of this section should be in grass.

IMPROVEMENTS

Old house, few sheds and barn, windmill, grainery and corrals - all in apparent poor condition. Well with windmill in corner of southwest one-quarter of southeast one-quarter.

ANALYSIS OF COMPARABLE SALES

Sales Nos. 2 and 3 are only ones comparable to subject. Sale No. 1 is out due to date and Sale No. 4 due to estimated one-half irrigated. Both Sales Nos. 2 and 3 are better than subject. Allowing for time, since the deed on Sale No. 3 is dated in 1961, it would appear that currently this would be up closer to $90.00

CORRELATION

A much larger percentage of subject is in grazing land and some of the agricultural land should be returned to grass.

FINAL ESTIMATE OF VALUE

Based upon the information contained in this report with particular emphasis on the market data, it is my opinion that the market value of subject property, as of July 1, 1966, is:

> $50.00 per acre or $32,000.00 for 640
> acres without considering improvements.

SUMMARY TABULATION OF COMPARABLE SALES

Sale No.	Date of Sale	Sale	Less Improve.	Net Land Sale	No. of Acres	Unit Price
1	11/2/64	$12, 000. 00	$2, 700. 00	$ 9, 300. 00	320	$ 27. 00
2	4/1/66	$15, 500. 00	- 0 -	$15, 500. 00	160	$ 97. 00
3	11/2/65	$20, 400. 00	$2, 100. 00	$18, 300. 00	240	$ 76. 00
4	6/9/65	$47, 000. 00	$9, 000. 00	$38, 000. 00	160	$237. 50

Reported sale of Kitzmiller ranch of 13, 000 plus acres in Townships 3 and 4 North, Range 45 West, at about $41. 00 to $45. 00 an acre to a grazing association. Deeds not recorded.

TABLE 29

Year	Plot	Sale Value	Lease Value
1921	NE 1/4	$8.00	$ .08 grazing
	NW 1/4	8.00	
	SE 1/4	7.00	
	SW 1/4	6.50	
1931	E 1/2 Section 16	(Appraised to describe only)	
1933	NW 1/4 (see test)	$15.00	$ .75 agriculture
1936	SW 1/4	$ 8.00	.10 grazing
1956	E 1/2 Section 16	$20.00	2.25 agriculture
			.40 grazing
1957	E 1/2 Section 16	$60.00 see text	$2.25 agriculture
			.40 grazing
	W 1/2	no estimate	2.25 agriculture
			.40 grazing
1963	E 1/2 Section 16	$30.00	$2.25 agriculture
			.48 grazing
	W 1/2 Section 16	$70.00	2.25 agriculture
		$16.50	.50 grazing
1966	Section 16	$50.00	- -

Yuma County - Section 16

Township 4 South

Range 45 West

This land is located in the Eastern plains of Colorado in Yuma County. This land is typical of the dry land farming in this particular area of Colorado. The first written record available at the State Land Board was made in May of 1917. At that time the following general statement and the following appraisal was made:

> This land is located about six miles West of Idalia in Yuma County above the public road. There are three 40 acre tracts that are good to cultivate. The balance is very rough canons (sic) and rocks. It is a good grazing section and the canons (sic) give shelter for stock in storms. It will never do to farm outside of the three 40's, and it has no stock water. A well is now being drilled on the NE 1/4 of the NE 1/4. Date 5-24-1917

This appraiser placed the following values on this section: The S 1/2 SE 1/4, if sold, $12.00 per acre. The SE 1/4 of SW 1/4 , $10.00 per acre if sold. The balance of the land, $6.00 per acre if sold. He did not indicate what the lease price was at this time.

As with the other sections going back through the archives that are held at the state capitol in Denver, Colorado, it was found that these rental rates appeared to be simply an arbitrary figure suggested by a field representative of the State Board of Land Commissioners. This field representative would suggest a rental price, this price would be sent to the lessee and he could accept or refuse to lease the land on the basis of the price suggested.

There was a sales application filed against this section on January 17, 1946. At that time, a sales price of $7.50 per acre was offered for the land. The land board appraiser wrote the following letter to the State Board of Land Commissioners concerning this sales application:

> Gentlemen: On February 4th, I looked at the above section and found 120 acres or more of very good farm land. It is nearly level and the pastures a little rolling, but is well sodded to buffalo and gramma grass. This section should be paying $172.00 a year rent. $172.00 would be two percent on $8,600.00 and I doubt very much if the section was offered for sale if it would bring that much and the board would still need to find someone to take the money at two percent, therefore, I recommend that we do not place the section on the market at this time (sic).

Yours Very Truly,

State Land Board Appraiser 2-7-46

In 1953, the State Land Board Appraiser appraised the value of the land as follows: 510 acres should be used for grazing purposes at $.35 per acre; 130 acres should be used for agricultural purposes and this should be rented at $3.00 per acre. This amount returned $568.50 per year to the School Income Fund of the State of Colorado from the years 1953 to 1958.

In 1958, the land was again appraised for the purpose of releasing the section. At that time, a general description of the land was made which does not significantly differ from any of the others from 1917 on. The agricultural land was listed at 130 acres. The grazing land was listed at 510 acres, with the following values: $2.50 per acre for the agricultural land, and $.35 per acre for the grazing land. The cash value per acre on the agricultural land; $75.00. The cash value on the grazing land, $14.00 per acre.

This drop from $3.00 to $2.50 was found to have been due to the very dry years in the late 1950's.

This returned $503.50 per year to the School Income Fund of the State of Colorado from the years 1958 to 1964.

In 1963, the land was reappraised for lease renewal purposes. At that time, a brief general description was made on the land and the following values were placed on this section: The agricultural land consisting of 130 acres was valued at $2.50 per acre per year. 510 acres of grazing land was valued at $.42 per acre per year. This returns $539.20 to the School Income Fund of the State of Colorado and will do so between the years 1964 and 1974 when the land will again be up for appraisal.

This is one of the very few leases and land values that has dropped in value. There is no particular explanation as to why this value has dropped. It seems to be just a matter of land negotiator's or appraiser's opinion as to what the land is worth at a given time and what the average in the county may be bringing at that time.

APPRAISERS OPINION

LEGAL DESCRIPTION

Section 16, Township 4 South, Range 45 West of the Sixth Principal Meridian, Yuma County, Colorado.

LOCATION

Approximately 5 miles west of Idalia, Colorado, on paved State Highway 102 and U. S. Highway 36, thence west 1 mile to southeast section corner.

ACCESS

Gravel county road on south; abandoned county road right of way serves as trail road on west. No public access on north or east.

TERRAIN

The south one-half of the south one-half (approximately 140 acres) is fairly level and currently in summer fallow. The rest of the land is quite rough and hilly with gullies and washes - all pasture grazing land. Much of it would fall into the poorest grazing classification. There does not appear to be a well or windmill on the section. Partly fenced.

ANALYSIS OF COMPARABLE SALES

Sales Nos. 1 and 2 are of a more recent date but larger tracts of land. Sales surround subject and land typical of subject.

Sale No. 3 does not appear comparable due to assessed value. Access difficult.

In 1959 the rough dry pasture land of Sale No. 2 sold at $16.50 per acre giving an indication of value at that time. In 1958 the better grazing land sold for $30.00 an acre.

Sale No. 3 does indicate what the better agricultural land would sell for.

Sale No. 1 was at 9.1 times assessed value and Sale No. 2, at 9 times assessed value.

CORRELATION

Subject has approximately 500 acres of poor grazing land and 140 acres of dry farm land.

Estimating $30.00 per acre for 500 acres equals $15,000.00 and 140 acres at $110.00 equals $15,400.00 or total of $30,400.00.

Based on Sales Nos. 1 and 2 it is estimated at $55.00 per acre
640 acres equals $35,200.00 .

FINAL ESTIMATE OF VALUE

Based upon the information contained in this report with particular emphasis on the market data, it is my opinion that the market value of subject property, as of July 1, 1966, is:

> $52.50 per acre or $33,600.00 for 640 acres.

SUMMARY TABULATION OF COMPARABLE SALES

Sale No.	Date of Sale	Sale	Less Improve.	Net Land Sale	No. of Acres	Unit Price
1	10/29/64	$340, 000. 00	$12, 600. 00	$327, 400. 00	5596	$ 58. 50
2	4/1/63	$137, 260. 00	$ 6, 260. 00	$131, 000. 00	2560	$ 51. 15
3	11/7/63	$ 17, 450. 00	- 0 -	$ 17, 450. 00	159	$ 109. 50
4	9/21/59	$ 31, 700. 00	$ 2, 590. 00	$ 29, 110. 00	1760	$ 16. 50
5	9/18/58	$ 14, 400. 00	- 0 -	$ 14, 400. 00	480	$ 30. 00

TABLE 30

Year	Plot	Sales Value	Lease Value
1917	S 1/2 SE 1/4	$ 12.00	No estimate available
	SE 1/4 SW 1/4	$ 10.00	
	balance of section 16	6.00	
1946	Section 16	$ 7.50	$.26 grazing (approximate)
1953	130 agriculture 510 grazing	no estimate available	$3.00 agriculture .35 grazing
1958	130 acres	$14.00	$2.50 agriculture .35 grazing
1963	130 acres 510	no estimate available	$2.50 agriculture .43 grazing
1966	Section 16	$52.50	

TABLE 31

SUMMARY OF APPRECIATION IN VALUES

ON SELECTED SITES IN S-446

County	Plot	Initial Appraisal	Current Appraisal	Increase
Adams	Section 16 Township 1 South Range 65 West	$ 12.00 per acre	$ 75.00 per acre	$ 63.00 per acre
	Section 36 Township 1 South Range 66 West	10.00	50.00	40.00
Arapahoe	Section 36 Township 4 South Range 61 West	17.66 average	65.00	47.34
Boulder	Section 16 Township 1 North Range 71 West	12.50	300.00	287.50
	Section 36 Township 2 North Range 71 West	5.00	63. - 105.00	58. - 100.00
	Section 36 Township 1 South Range 71 West	3.50	30.00	26.50

TABLE 31 (continued)

County	Plot	Initial Appraisal	Current Appraisal	Increase
Clear Creek and Jefferson	Section 25 Section 26 Section 35 Section 36 Township 4 South Range 72 West	$ 5.00 per acre	$ 40.00 per acre	$ 35.00 per acre
Douglas	Section 16 Township 7 South Range 66 West	7.00	100.00	93.00
Elbert	Section 16 Township 10 South Range 62 West	8.13 average	35.00	26.87
El Paso	Section 16 Township 12 South Range 65 West	10.00	125.00 +	115.00
	Section 13 Section 14 Section 15 Section 16 Township 14 South Range 62 West	19.10	37.50	18.40

TABLE 31 (continued)

County	Plot	Initial Appraisal	Current Appraisal	Increase
Gilpin	Section 16 Township 3 South Range 72 West	$ 6.00	$ 50.00	$ 44.00
Jefferson	Section 16 Township 6 South Range 71 West	15.00	150.00	135.00
	Section 16 Township 5 South Range 71 West	26.25 average	550.00	523.75
Larimer	Section 16 Township 10 North Range 76 West	5.00	30.00	25.00
	Section 16 Township 6 North Range 68 West	25.00	400.00	375.00

TABLE 31 (continued)

County	Plot	Initial Appraisal	Current Appraisal	Increase
Larimer (cont)	Section 16 Township 5 North Range 70 West	$ 8.00	$ 25.00	$ 17.00
	Section 16 Township 5 North Range 72 West	7.00 average	173.44	166.44
Logan	Section 36 Township 6 North Range 53 West	12.50 average	15.00	2.50
Morgan	Section 16 Township 4 North Range 57 West	47.93	75.00	27.07
	Section 36 Township 4 North Range 57 West	66.75	75. - 125.00	8.25 - 58.25
Pueblo	Section 16 Township 21 South Range 62 West	45 - 60.00	80. - 125.00	35. - 65.00
Teller	Section 16 Township 15 South Range 69 West	10.00	no estimate available (see text)	

TABLE 31 (continued)

County	Plot	Initial Appraisal	Current Appraisal	Increase
Washington	Section 36 Township 3 North Range 52 West	$ 30.00 per acre	$ 100.00 per acre	$ 70.00 per acre
	Section 16 Township 2 North Range 50 West	39.38 average	50.00	10.62
Weld	Section 16 Township 5 North Range 64 West	25.00	190.00	165.00
	Section 36 Township 6 North Range 62 West	7.00	40.00	33.00
Yuma	Section 36 Township 4 South Range 46 West	12.50	90.00	77.50
	Section 16 Township 5 North Range 48 West	7.38 average	50.00	42.62
	Section 16 Township 4 South Range 45 West	9.33 average	52.50	43.17

CHAPTER V

CONCLUSIONS AND IMPLICATIONS

In 1960, the Legislative Council of the Colorado General Assembly conducted a research project into public school lands in Colorado. At that time the fundamental question that the research arm of the Legislature was trying to answer concerned securing maximum long-term revenue yield to the public school fund from school lands.

One of the major findings of this group follows:

. . . .

> However, the committee does not feel that 1962 is the only year that should be considered when looking to securing the maximum long-term revenue to the public school fund - the committee is interested not only in 1962 but in 1972, 1982, 1992, and beyond. Further, the committee believes that much of the land board's difficulties can be alleviated or eliminated through the adoption of various legislative or administrative changes.
>
> No one of course has suggested the possibility of disposing of all state lands by 1962. An orderly sale could probably be had over the next ten or 20 years. But would this proposal be the best solution in terms of long-term revenue? While the committee does not have a crystal ball which will enable it to positively answer "yes" or "no" to this question, the committee can look to the past as a possible guide to the future.
>
> The committee recognizes that the value of state land 30 years ago varied from $1 to $10 per acre. However, if the state had sold all school lands 30 years ago, as some states have done, and if the state could have realized an average of $10 per acre for the approximately 3,000,000 acres, there would have been a total return of $30,000,000. Had that sum been invested, based on the interest on the investments received by the land board over the past 30 years (3.2%) revenues totaling $29,880,000 would have been collected.

> On the other hand, income from surface rentals to the school fund during the 30-year period totaled approximately $17,530,000. However, compared to the $10 per acre figure assumed for 1930, the value of the school land in 1960 is estimated at $56,000,000, or an appreciation in value of $26,000,000 over the 1930 figure of $30,000,000. Consequently, on this basis, the school fund is obviously in better shape today than it would have been had the land been sold in 1930. That is, in terms of actual rentals, the school fund has collected $12,350,000 less from rentals than it would have had the land been sold and the money invested, but the increase in the value of the land itself more than makes up this difference by some $14,000,000.
>
> Furthermore, surface leases yielded $1,266,000 in the 1960 fiscal year. The $30,000,000 that would have been realized in 1930 from the sale of the school lands would have yielded only $951,000 in 1960, based on the 3.17 per cent return realized on other investments in 1959, or $314,000 less than rental yielded.
>
> If land values were to remain stable, it might be wise to sell the school lands now. However, all indications point to an ever increasing value for the land, particularly in view of the tremendous population growth experienced recently in this state.
>
> The sale of state school land might also invite the possibility of large acres of land being plowed for quick cash crops, creating dangers of the dust bowl experienced in the 1930's.
>
> It is therefore the considered opinion of this committee that retention of the school lands is presently the wiser course, and the committee feels that the present law relating to the sale thereof is currently adequate.[1]

Project S-446 has added further emphasis to these findings concerning retention of state school land. Evidence to support this is found in the considerable appreciation of land values on all selected sites in the study. In addition, this project points up the need for a more specific policy regarding the present administration, management and decision making procedures involved in the possible sale of public school land. Opinion rather than evidence seems to be the motivation for sale of school lands. These opinions are developed from many influences surrounding land usage and management. Specifically this influences are:

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[1] Public School Lands in Colorado. Report to the General Assembly: Colorado Legislative Council, Research Publication No. 47, December 1960, pp. i-ii.

1. philosophy
2. unbalanced distribution of school land over the state
3. non-resident lessees.
4. non-payment of taxes on school lands
5. ad-valorum taxes on improvements
6. mineral deposits
7. sub-leasing practices
8. land appraisal methods
9. duration of leases
10. conflicting bids on leases
11. timber contracts
12. access problems
13. lease rate policies
14. appreciation of land values
15. recreational potential
16. multiple use

These factors have a tendency to create an atmosphere of confusion and the ultimate purpose of school lands are not the focal point of concern. On the basis of the findings in this research the following results and conclusions have been drawn:

1. The 50 sections of land in this research indicate that the public schools have had a stable source of income that has increased steadily over the years.
2. The potential of land in terms of market value and return to the school fund cannot be accurately predicted or projected. It is defensible to say that land values have escalated over the years and there is nothing to indicate that this trend will not continue. The public schools have therefore derived substantial increases in both immediate revenues and appreciated values of land.
3. Grazing lands have appreciated in value at a slower rate than have farm lands, potential recreational and residential development property. Hence there is more pressure to sell farm land and potential developmental land.
4. The possibility of sub-dividing and selling in smaller units should be carefully evaluated. In this study the practice returned greater revenue to the Permanent School Fund.
5. Large blocks of public school land are under pressure to sell for industrial and recreational purposes.

Examples: Lowry Bomb Range Land
Colorado State Forest

6. These large blocks of land have a substantial revenue potential for the Permanent School Fund and the School Income Fund of the State of Colorado.

7. Adequate safeguards for the public school funds have not been assured in promoting the change in use for these large blocks of land at Lowry Bomb Exchange, the Colorado State Forest and other condemnation proceedings observed in this study.

8. State school land has never had an appraisal. The term appraisal generally refers to the practice of applying values to something, in this case land. The State Land Board Appraisers do not place value on school land for sales purposes. These "field appraisers' can best be described as 'field negotiators." Their task is largely relegated to estimating land values for rental purposes and not placing value on the land for sales purposes. Evidence to support this view is found in the study. The State Land Board Appraisers' figures were consistently lower than the independent appraiser's and land sales on opening bid have had little relevance to the appraisal figures quoted by the Land Board Appraiser or the ultimate sales price of the land.

9. Further research needs to be done in the area of public school lands, particularly in the areas of leasing practices and investment income versus lease income on potential sales plots.

10. It appears on the basis of this study that Colorado Public Schools are benefiting substantially from public school lands and funds and should

continue to retain and administer these lands and funds in the schools' best interests. It is also possible that the following specific criteria may be a first step in a comprehensive school land program designed to realize the maximum return in revenue to the public schools of Colorado.

The State Board of Land Commissioners should seek to evaluate in advance of sales the following questions and circumstances: (1) What sales have been made in the past one, two, or three years? (2) What developments are taking place in the area such as industrial, recreational or residential plans? (3) What are the histories of price increases in the area over a period of ten years to fifteen years with regard to leases and sales? (4) What changes, if any, can be expected in a particular geographic area based on the preceeding question and answers? (5) Would adequate professional appraisal in depth return more revenue than is currently being realized by putting prices on a more realistic scale? (6) What mineral potential may be located on the land? The Board should withhold mineral lands because of the legal and technical problem created when the State no longer controls the surface rights. (7) What care should be taken to assure access to other continuous state held lands? Some parcels of state land are now completely surrounded by private land. When access is denied by the private land owner, the prospective lessees or buyers are not willing to invest money in the state land.

In some cases this denial of access has been caused by the Board selling a more desirable plot. There is evidence to show that in recent years to Board has been more careful in this matter.

The objectives of the research were met to a greater extent in parts (b) and (c). The future potential of land based on its current market value and its history of increase indicates that it is justifiable to continue the retention of school land. Further, there are suggested criteria that may provide a basis for evaluating in advance of sales potential land values.

Part (a) is more difficult to evaluate in terms of meeting the objective. The State Board of Land Commissioners rarely offers land of its own volition. Sales are nearly always initiated by an interested buyer. Administratively, this is perhaps the best approach, although there is insufficient evidence in this study to warrant a conclusion on this matter.

Implications of project S-446 are that further study must be made into the areas surrounding land management in an attempt to remedy administrative practices and procedures that cause confusion and periodic "investigations" of school land administration. During the course of this study and in years passed it has been suggested that the most expedient method of solving these problems would be an orderly liquidation of the lands into a permanent invested fund. However, on the basis of the findings of this limited study this would in the long term cost the school revenue. The focus of concern then, must be retention of school lands with a view to increased efficiency in management.

Also, attention should be given to an occurrence that could become a trend in Colorado. This occurrence is the practice of the various levels of government condemning public school land for certain types of development. These condemnations have been for a variety of worthy causes and all levels of government have been involved. The most striking example of this procedure has been the Lowry Bomb Range condemnation where 24, 000 acres have been involved. However, other examples can be sited. For example, the Environmental Science Services Administration, an agency of the federal government, will condemn and take over a state school section in Weld County for research facility.

The attitude seems to be that state school land does not really belong to anyone and it is fairly easy to gain surface and in some cases mineral rights to this property.

It would seem appropriate to insist that the Permanent School Fund and the School Income Fund be adequately reimbursed for these condemnations and discouraged the cavalier attitude that school lands are open for development by all levels of government.

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